AMERICAN ACADEMY
OF ARTS & SCIENCES

Advancing a *People-First* Economy

A REPORT FROM THE
COMMISSION ON REIMAGINING OUR ECONOMY

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AMERICAN ACADEMY OF ARTS & SCIENCES
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A Letter from the President of the American Academy

I am pleased to present *Advancing a People-First Economy*, the final report of the American Academy of Arts and Sciences' Commission on Reimagining Our Economy.

This landmark report arrives at a challenging juncture for the American economy and the American people. On the surface, the economy appears to be as strong as ever. Except for the height of the COVID-19 pandemic, the nation has enjoyed a period of growth that has benefited many Americans. Even before the expansion of the Child Tax Credit during the first years of the COVID-19 pandemic, rates of child poverty had gradually declined over the last few decades. And as of this writing, low unemployment rates have increased wages and opportunities for workers at the lower end of the income spectrum.

But it has become clear that the national story of the economy is not sufficient. Since 2020, the Academy and this Commission have consulted with roughly two hundred experts and conducted thirty-one listening sessions around the country. Apparent from our research is that, even with many encouraging trends, too many Americans have not fully benefited from an ostensibly strong national economy. Geography represents one of the most glaring challenges, as entire swaths of the country have been left out of the economic and technological progress of the last few decades. Too many households live in economic precarity, and the disproportionate lack of economic security and opportunity for Black, Latino, and Native households remains a blemish on our entire country.

These challenges are closely related to the challenges facing American democracy. In 2020, the Academy's Commission on the Practice of Democratic Citizenship released its final report, *Our Common Purpose: Reinventing American Democracy for the 21st Century*. That report diagnoses a host of problems facing the nation's constitutional democracy and offers solutions to build more robust political institutions, a healthier civic culture, and a more vibrant civil society. In its opening pages, *Our Common Purpose* acknowledges the role of economic issues—particularly the role of economic inequality—in fostering the challenges facing the nation's institutions and its democracy. It does not, however, offer recommendations to address economic issues. This led the Academy to launch the Commission on Reimagining Our Economy to build on *Our Common Purpose* and to complement its proposals. A healthy economy requires a healthy democracy, and a healthy democracy requires a healthy economy. Taken together, the two reports offer a roadmap to democratic and economic institutions that serve the common good.

Since its founding in 1780, the Academy has sought to bring together leaders from multiple disciplines and across the political spectrum to tackle the biggest questions facing the nation. That is what we have done here. In particular, the Commission on Reimagining Our Economy calls for a change of national priorities for the economy. Rather than focus on how the *economy* is doing, the Commission seeks to direct a focus onto how *Americans* are doing. The Commission's efforts to create a more people-centric economy are guided by its key values: security, opportunity and mobility, and democracy. These values resonate across our diverse Commission, and we believe these values are foundational to any healthy political economy.

The makeup of this Commission is notable. Other projects focused on the economy tend to lean on economists, business leaders, and policy experts. The work of these projects is vital for the nation and has been crucial for informing the Academy's efforts. Our Commission, too, includes leading economists, business leaders, and policy experts. But we also made a point of bringing together Academy members and other experts not typically involved in these kinds of economic projects, including religious leaders, novelists, playwrights, and philosophers. The Commission's crossdisciplinary makeup was vital for shaping its conversations with Americans around the country and its diagnosis of the challenges facing the economy. It was also key to identifying recommendations. The Academy's aim is not to provide technocratic solutions, but bold ideas and broad frameworks that provide new ways of looking at—and solving—the nation's biggest challenges. The composition of this Commission was vital for ensuring that its recommendations remain attuned to the needs of the American people.

The Commission recognizes that the enactment of many of its recommendations faces barriers. The Commission makes its recommendations with a full understanding of these barriers, and with an eagerness to shine a light on a slate of promising ideas that received support from its crosspartisan members. Many of these recommendations will require the type of democratic reform called for in *Our Common Purpose*. The Academy is committed to ensuring its reports have impact. We look forward to a phase of work devoted to identifying these specific barriers and finding ways to overcome them to help implement the recommendations in this report.

In addition to *Advancing a People-First Economy*, I am pleased to present two other Commission products that reflect the mission of taking a people-focused approach to economic life. The first is a new county-level measurement of American well-being. While traditional metrics capture economic growth or the state of the stock market, the Commission's new measurement, the CORE Score, speaks to how Americans live: their economic security and opportunity, their health, and their political voice. The Score is available at www.corescore.us and described in further detail on page 5 of this report. Additionally, the Academy recently released *Faces of America: Getting By in Our Economy*, a photojournal capturing median-income Americans in four communities: Williamsport, Pennsylvania; Dearborn, Michigan; Houston, Texas; and Tulare County, California. Paired with quotes from the Commission's listening sessions, the images offer a nuanced look at the priorities and problems of the communities we aim to help with the recommendations in this report.

There are many people to thank for their dedication to this Commission and to the work of building a healthier political economy. My thanks to the Commission's three cochairs, with whom I had the great pleasure of working for the last three years: Katherine Cramer, the Virginia Sapiro Professor of Political Science and Natalie C. Holton Chair of Letters & Science at the University of Wisconsin–Madison; Ann Fudge, former CEO of Young & Rubicam Brands; and Nicholas Lemann, the Joseph Pulitzer II and Edith Pulitzer Moore Professor of Journalism at Columbia Journalism School. The Academy is also grateful to all members of the Commission for lending their time and expertise to this effort (see Appendix B on page 95 for a complete list of Commission members).

We are also grateful to many other people for lending their experience and expertise to the project. Special thanks go to the current and past members of the Academy's Board of Directors, Council, and Trust for their support of this Commission. Our appreciation also goes to the many Academy members and other experts who helped advise this project, both during our yearlong scoping period and following the Commission launch. We owe a debt of gratitude, as well, to the Americans across the country who participated in the Commission's listening sessions, as well as individuals in the four communities who served as subjects for the photojournal project. I would also like to thank the individuals and organizations that have generously supported the Commission: The William and Flora Hewlett Foundation, The C&P Buttenwieser Foundation, Omidyar Network, David M. Rubenstein, and Patti Saris.

Finally, my thanks to the Academy staff members who worked to support this Commission over the last three years: Jonathan Cohen, Victor Lopez, Kelsey Ensign, Darshan Goux, Elizabeth Youngling, and Katherine Gagen, as well as Tania Munz, Peter Robinson, and Alison Franklin. Thank you, too, to our publications team—Phyllis Bendell, Key Bird, Scott Raymond, and Peter Walton—for their fantastic work on this report, as well as Academy staff from many other departments whose efforts helped make this work possible.

We look forward to advancing the recommendations in this report and, in the process, helping to build an economy rooted in the well-being of the American people.

Sincerely,
David W. Oxtoby
President, American Academy of Arts and Sciences

Executive Summary

In the United States today, too many families cannot achieve the life they want, too many communities have not benefited fully from national economic growth, and too many Americans believe the economy does not work for them.

Advancing a People-First Economy is the final report of the Commission on Reimagining Our Economy, a project of the American Academy of Arts and Sciences. The interdisciplinary and crosspartisan Commission comprises scholars, journalists, artists, and leaders from the faith, labor, business, nonprofit, and philanthropic communities. The Academy convened the Commission to address the problems facing the American political economy, problems the Commission believes are inextricable from the challenges facing American democracy and American institutions more generally.

This report argues that too much attention is devoted to how the *economy* is doing and not enough to how *Americans* are doing. An economy should be judged not only on its efficiency and productivity but on its ability to improve people's well-being. In listening sessions across the country with people from different walks of life and from across the political spectrum, the Commission heard about the challenges people are facing and how current economic arrangements often do not prioritize their needs. A lack of economic security and opportunity fosters distrust of the political and economic system, a distrust that threatens the nation's social fabric, its institutions, and the ability of those institutions to provide security and opportunity for Americans.

Advancing a People-First Economy offers fifteen recommendations to address some of the most pressing challenges facing Americans today. These recommendations cover issue areas not typically included together, from antitrust policy to tribal governance. This range reflects the fact that the Americans we spoke with did not think in terms of any one idea that would address all of their challenges. They alerted us to a wide range of challenges requiring an even wider range of solutions.

After two years of deliberation, the Commission achieved consensus on this set of bold proposals. The recommendations are rooted in key values that sit at the center of the Commission's work:

- Security
- Opportunity and Mobility
- Democracy

The proposals in this report address some of the biggest challenges facing the American people. Bringing them to life will require action by government, the private sector, philanthropy, and others. The Commission believes that such action is necessary because economic problems affect more than just the economy. By advancing these values and recommendations, the Commission hopes to foster a sense of trust that is vital for the well-being of the nation, its institutions, and its people.

Our Recommendations

SECURITY

1. Redesign safety nets to ensure stability.
2. Adopt inclusionary zoning policies to increase the housing supply.
3. Reform childcare and health care to lower costs and facilitate benefit portability.
4. Expand access to low-cost banking for low-income earners.

OPPORTUNITY AND MOBILITY

5. Remove regulations preventing people from participating in the labor market.
6. Bolster worker training and education pathways through private-sector upskilling and a strengthened community college system.
7. Extend to Black World War II veterans and their descendants the housing and education benefits they were denied under the 1944 GI Bill.
8. Expand broadband connectivity for rural, tribal, and underserved urban areas.
9. Allow states or municipalities to sponsor immigrants to boost their economies (Community Partnership Visas).

DEMOCRACY

10. Create a training and financing program to help working-class Americans run for political office.
11. Deconcentrate economic power.
12. Revise the tax code to incentivize work and end tax policies that benefit the wealthy.
13. Support tribal governmental infrastructure to advance Native American self-determination.
14. Facilitate the creation of robust local and community media.
15. Promote economic connectedness.

Williamsport, Pennsylvania

Dearborn, Michigan

Third Ward, Houston, Texas

Tulare County, California

Introduction

The story of the United States has always been one of continuing reinvention. That is the story of the American economy as well. The United States was an agricultural nation at its inception, then became an industrial one, then a diversified postindustrial one. At every stage, the nation's political and economic systems were interconnected, each adjusting to changes in the other. The nation preserved its economic strength through depression and recession, through land wars, cold wars, and trade wars, and through the arrival of the microchip, the megabyte, and the machine-learning revolution.

Today, another adjustment is in order. Over the past several decades, the connection between growth and shared prosperity in the United States has not been strong enough. This period has produced a tremendous amount of progress and prosperity. But for many, it has also produced uncertainty, insecurity, and disaffection. Too many families cannot achieve the life they want despite their best efforts, too many communities have not benefited fully from national economic growth, and too many Americans believe the economy does not work for them. In a 2021 survey, 66 percent of American respondents felt that their nation's economy needs major reforms, and just 6 percent felt it should remain unchanged.[1] There is a widespread sense that more people should be able to partake in the nation's prosperity.

Against this backdrop, the American Academy of Arts and Sciences launched the Commission on Reimagining Our Economy (CORE) in October 2021. The interdisciplinary and crosspartisan Commission comprises scholars, journalists, artists, and leaders from faith, labor, business, nonprofit, and philanthropic communities. The goal of the Commission is to identify policies, practices, and principles that can help make the nation's economy work better for the American people. We undertake this effort not only for the sake of the nation's economic future, but also for the future of its constitutional democracy and its institutions.[2]

A major area of concern for the Commission is the damage that the economy has done to American optimism. In recent polls, just 24 percent of Americans said they believed the nation was heading in the right direction, 55 percent were confident that today's young people will have a better life than their parents, and 32 percent predicted that the nation's economy will be stronger in 2050 than it is in 2023.[3] There are many reasons for the prevalence of these views, and it is notable that when Americans are asked about their own personal situation, rather than that of the nation as a whole, their outlook is considerably sunnier.[4] Nonetheless, widespread concerns about economic well-being threaten to tear at the fabric of American life. Those who feel they lack opportunity are prone to distrust political leaders, markets, institutions, and even their own neighbors. A 2019 survey of the United States and other countries found a strong connection between economic pessimism and democratic dissatisfaction. Recent research also suggests that the emotion that best predicts voters' turn

Commission Cochairs (left to right) **Katherine Cramer**, **Nicholas Lemann**, and **Ann Fudge** with American Academy President **David W. Oxtoby**.

to populist political candidates is not anger but gloom—a sense of malaise and despair that can aggravate long-standing social tensions.[5] When people feel constrained from achieving better lives, they are more likely to distrust the institutions that can help shape a better future for them and for the nation.

The Commission heard these sentiments in listening sessions held around the country. Speaking with Americans from different walks of life and from across the political spectrum, we heard that many people feel that greed is the main driver of the economy and that a small segment of the population prospers while others struggle to survive. Many people feel stuck in jobs that do not provide basic financial security, not to mention enough time to spend with their families. People believe there is not as much opportunity today as in the past. In some parts of the country, people feel they have been left out of the progress and promise of the high-tech economy. We heard a prevailing belief among young people that they cannot rely on the same path to an affordable college degree, stable employment, and homeownership that their parents took. Many people feel these problems are at least partly the fault of elected leaders and employers who have been unresponsive to the concerns of ordinary Americans.

Such sentiments are rooted in people's lived experience. In 2022, poverty rates increased nearly 5 percent and rates of child poverty nearly doubled, as government programs and tax credits enacted during the pandemic expired.[6] Many Americans' expectations for economic life took hold in the decades following World War II, a time of widespread upward mobility and general—though far from universal—prosperity. Since the 1970s, a significant portion of the country's traditional industrial base has shut down or moved offshore, leaving some parts of the country behind economically, and reducing the number of paths to better futures for residents. As of 2019, the wealthiest 10 percent of households held over 70 percent of all household wealth.[7] Additionally, the share of the economy that goes to workers in the form of wages has fallen.[8] Homeownership affordability, too, is at its lowest levels since 2007.[9] Based on cost of living estimates collected by MIT's Living Wage Calculator, in nearly every American county, a typical wage is not considered livable for a household with one adult and two children.[10] These trends have disproportionally hurt nonwhite Americans and those without a college degree who live outside the major metropolitan areas. The Great Recession that followed the 2008 financial crisis hit these Americans and these communities especially hard.

Notwithstanding these challenges, the economic situation of ordinary working Americans has been improving. Over the last few years—not including the eighteen months after the onset of the COVID-19 pandemic—the nation has maintained a low unemployment rate. The corresponding tight labor markets have increased wages for low-income workers. One welcome result has been a lessening in inequality: Income growth for the bottom half of the distribution has outpaced growth for the top 10 percent, and gender and racial wealth gaps have also declined.[11] Additionally, notwithstanding the spike in 2022, rates of child poverty fell nearly 44 percent between 1993 and 2019, and then declined further thanks in part to COVID-era government programs.[12] This good news demands close attention. Its causes offer insight into which policies can help create the kind of economy that our Commission was created to reimagine.

In our listening sessions, the Commission did not hear only about challenges and struggles. We also heard about resilience, hope, and opportunity. We heard stories of determination, of individuals fighting for dignity and to make life better for themselves and their children. The participants in our listening sessions shared with us their belief in the value of hard work and their hope that their efforts will pay off. We spoke to people across the country who are working to strengthen their hometowns so their children will not have to leave to find opportunities. We also heard about solutions. People have ideas about how to make things better, and they want to be empowered to make changes in their workplaces, in their communities, and in their nations. When they want help from the government, they make clear they want help finding opportunity: to make it easier for them to work, to take care of their families, and ultimately to get by on their own.

Drawing on these conversations and on more than two years of deliberations among the Commission's members, *Advancing a People-First Economy* offers a range of ideas to address the most pressing economic problems that are facing the American people and eroding their faith in the nation's democratic system. The recommendations differ in subject matter, sweep, and scale. But we believe that, together, they offer a vision of what the American economy could become and of how the country could begin moving toward that vision.

Introduction

At the heart of our analysis is the idea that too much attention is devoted to how the *economy* is doing and not enough is devoted to how *Americans* are doing. This shift in framing is significant. Economic markets are a powerful and effective tool for creating a fair, prosperous, and just society. But they should exist to serve people, not the other way around. A healthy economy is one that provides everyone with a meaningful chance at mobility and generates prosperity that is broadly shared. An economy should be judged not only on its efficiency and productivity but on its ability to improve people's well-being. In our view, well-being encompasses people's physical health, financial stability, political and social agency, and overall satisfaction with the state and direction of their lives.[13]

Placing people at the forefront of economic analysis entails emphasizing parts of American life that are often ignored. Consider the way the economy is measured. The most common economic metrics measure growth. The Dow Jones Industrial Average and other stock indexes are often used as proxies for assessing the state of the economy. Gross Domestic Product (GDP) is the go-to statistic for comparing national economies and for assessing whether a country is in a period of growth, stagnation, or recession.

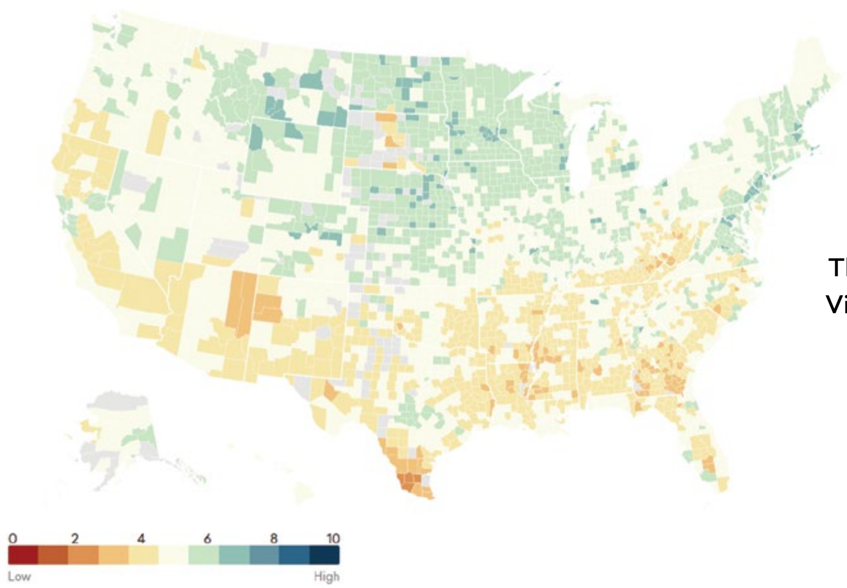
Metrics such as GDP and the Dow are often used to understand our economy as a whole. Both indicators serve important functions. However, while generally seen as objective, they contain judgments about what is worth measuring and whose welfare is important. Neither of these familiar metrics provides sufficient insight into Americans' well-being and their relationships to the institutions that structure their lives. Roughly 40 percent of households—and nearly 60 percent of Americans under age thirty—do not own stock, including indirect ownership through retirement plans.[14] Broad measurements like GDP reveal very little about areas or communities that are not keeping pace with the progress seen in other parts of the country. Indicators that do not offer insight into differences along lines of race, gender, or ethnicity risk overlooking long-standing and ongoing disparities. As a result, GDP, the Dow, and similar narrow measurements can obscure as well as reveal. Their prevalence in the nation's public conversation is a symptom of a prioritization of the well-being of the economy over the well-being of the American people.

When we began our work in 2021, the Commission set out to identify ways to encourage the nation to focus its attention on people and their well-being. To do so, we sought first to identify a concrete set of values—aspirations for what we believe should be the central tenets of a people-focused economy. We were guided in this effort by our listening sessions, in which we heard remarkably consistent hopes and concerns articulated by different groups in different parts of the country. The Commission agreed on three values that sit at the center of our work:

SECURITY: The ability to withstand economic instability and to meet one's needs sustainably and with dignity.

OPPORTUNITY AND MOBILITY: The realistic possibility of having opportunities to advance economically through education and work, no matter where one begins in life.

DEMOCRACY: The ability to exercise power and voice in decision-making in one's workplace and political life, both locally and nationally.



The CORE Score for 2021. Visit www.corescore.us to view the Score in detail, including how Scores have changed over time and Scores by income, race/ethnicity, age, gender, and education.

A New Metric: The CORE Score

To reimagine the economy, the Commission first endeavored to reimagine the ways it is measured. To accompany this report, the Commission is releasing a new index measuring American well-being: the CORE Score. The CORE Score will allow for intercounty comparisons to measure geographic disparities, and to identify discrepancies in well-being between different parts of the country. The Score will also provide for intracounty comparisons, providing visibility into differences along lines of race/ethnicity, education, age, gender, and income within counties. The Score includes eleven measurements across four categories:

Category 1: ECONOMIC SECURITY

- Financial durability (using a credit-bureau index of household wealth and income)
- Percentage of households without a financial housing burden (spend less than 30 percent of total income on housing)
- Share of households above the Supplemental Poverty Measure

Category 2: ECONOMIC OPPORTUNITY

- Prime age labor force participation rate
- Average education level
- Median wage growth

Category 3: HEALTH

- Individual life expectancy
- Percentage under age sixty-five with health care coverage

Category 4: POLITICAL VOICE

- Voter turnout
- Civic participation
- Quality of political representation

These three values are intertwined, and the connections among them inform a central conclusion of the Commission's work. Financial security, opportunity, and mobility are crucial components of well-being. They are also vital for fostering trust. When people feel secure and feel that they have a chance to improve their future, they are more inclined to believe that the nation's democratic and economic system is fair. Perceptions of fairness, and the reality of fairness, nurture trust in institutions, increase social cohesion and civic participation, and lead to better political representation. These, in turn, foster policy outcomes that advance opportunity and security. Such outcomes then engender more faith in institutions, creating a feedback loop of economic well-being and institutional trust. Conversely, insecurity and lack of opportunity perpetuate unfairness, perceived and real. This leads to distrust, disengagement, and the erosion of the democratic institutions that can help provide security and opportunity.

A twist on a famed social psychology experiment offers evidence of how broken trust can worsen economic decision-making. Children were administered the marshmallow test, a test of grit and patience, in which they are offered a marshmallow with the choice of eating it immediately or waiting for an experimenter to deliver an extra marshmallow. In this iteration, children were first primed to trust or distrust the experimenter. Before the marshmallow test, the children were given art supplies. The experimenter then told the children they could use these supplies or could wait until the experimenter returned with even better materials. For half of the children, the experimenter did in fact return with the premium crayons and stickers. For the other half, though, the experimenter returned and apologetically explained that there were no better supplies after all. The experimenter then administered the marshmallow test. Those children who received the promised supplies were significantly more likely to wait than those who did not.[15] This reaction seems reasonable. Children who had been conditioned not to trust the experimenter had little reason to believe that waiting would yield an additional marshmallow, whereas those who found the system to be fair were happy to delay gratification for the future reward they were sure would come. When promises are broken, when institutions act unfairly, it is easy to lose trust. If people feel that the economy is not delivering for them, is it any wonder that they lose faith it ever will?

This report is the Commission's effort to identify proposals that will make a difference in peoples' lives and ultimately help foster trust that the nation's economy and democracy work for all Americans. To do so, we identified specific goals for the American political economy that represent concrete embodiments of the Commission's values:

- All Americans should have a foundation of financial sufficiency that covers their basic needs.
- Americans who work forty hours a week should be able to support themselves and their families and enjoy a decent life.
- All Americans, regardless of their race, gender, ethnicity, or the circumstances of their birth, should have the chance to achieve a better life.
- Every part of the country should have a fair chance to benefit from national economic growth and technological progress.
- The marketplace should be structured to promote and protect fair competition, and anticompetitive behaviors should be addressed.

Nicole is a single mother of three in Porterville, California, where she works as a director of marketing and holds side jobs building websites, taking senior portraits, consulting for non-profits, and selling cookies during the holiday season.

- Americans should feel a sense of common purpose and should have a voice that influences the political institutions that shape the nation and their lives.

To fulfill these goals, those who have the ability to contribute to American society—particularly through work—must do so. Work not only provides people with a chance at a better life; it is also vital for assuring basic sufficiency for every person. Work matters both to individuals and families, as well as to communities, including the national community. It is part of what Americans owe one another. Achieving the Commission's goals for the economy cannot be done without acknowledging that a commitment to work is a mutual obligation. This ethos of responsibility undergirds an economy that embodies the Commission's values of security, opportunity and mobility, and democracy.

The Commission has taken on a very large area of study. A great many potential policies and reforms could address our concerns. *Advancing a People-First Economy* offers fifteen actionable recommendations that have real promise to address some of the biggest barriers facing Americans today and to engender broad agreement. Some are ideas conceived by members of this Commission, some are proposals that deserve additional development, and some are already on their way to being enacted. We are proud to be able to take part in what we recognize is a broad, expanding, and ongoing conversation about the future of the American economy.

The Commission began its work with a list of over five hundred potential recommendations, many of which emerged from our listening sessions. Guided by our values, by our goals, and by what we heard around the country, we deliberated. From the start, we agreed to advance only those recommendations that could receive approval across our Commission. By design, the Commission has members who have a wide range of backgrounds, disciplines, and political beliefs. In our work, we have welcomed the variety of expertise and opinion among us, as well as the discipline necessary to achieve consensus. We were able to narrow our list to just over a dozen proposals that embody our shared values, that have the potential to have a significant effect, and that we could broadly agree on. While several members of the Commission were skeptical of or reluctant to endorse certain recommendations, all members of the Commission were able to approve the slate of recommendations as a whole in a spirit of collaboration and mutual respect. We offer this description of the Commission's work as one example, even in polarized times, of the proposition that Americans with different points of view can find areas of cooperation and progress.

Our recommendations cover a broad array of issues that at first glance may appear dissimilar, from antitrust to rural broadband to private-sector upskilling to tax credits for local news organizations. This breadth is intentional. In our conversations around the country, the Americans we spoke with did not think in terms of any silver-bullet solution that would address all their challenges. They alerted us to a wide range of challenges requiring an even wider range of solutions. The makeup of our recommendations reflects Americans' recognition that the solutions they need cut across different parts of their life and across every part of society.

The Commission's approach is in keeping with the way systemic change has taken place over the course of American history. In hindsight, large changes in American policy and social life appear coherent and consistent: think of the Progressive Era's reforms; the New Deal; the civil rights, environmental, and feminist movements; the period of economic deregulation in the 1970s and 1980s; even the drafting of the Constitution and the Bill of Rights. Their coherence is mainly retrospective. At the time, each great change was the amalgamated, messy result of many individual policies forged by members of different parties through compromise and negotiation. Rarely in American history has a tectonic shift been augured by a single speech, a single piece of legislation, or a single moment. More often, major reforms—reimaginings—occur through many changes, enacted from local communities to the federal government, whose connections to one another are clearer in hindsight than when they are unfolding. So it is with the reforms we offer here: they may be dissimilar on the surface, but they are all part of the same project to make the American economy work better for the people who make it work.

Most of our recommendations do not explicitly target any racial group. However, because socioeconomic status is so often tied to race and ethnicity—Black, Latino, and Native American households account for a disproportionate share of lower-income households—the Commission is confident that all of its proposals will improve outcomes for minorities. Some contemporary racial disparities stem from policies that had the explicit purpose of creating uneven playing fields for nonwhite households. Policies designed along purely socioeconomic lines are not sufficient to address all the barriers facing nonwhite Americans. Some of our recommendations explicitly take on historical race-based inequities with the aim of ensuring fair access to opportunity for all.

Aledrian Kemp stands near new homes being built across the street from where she grew up in Third Ward, Houston, Texas. Kemp was brought up in poverty in a Third Ward that she says was community-driven but deprived of resources. She has a job in workforce development, helping young people complete certification programs, though money remains a stressor in her life. She feels the community still lacks what it needs to thrive.

In the decades immediately following World War II, the country generally grew together economically, with gains distributed relatively evenly across the income distribution, albeit unequally along lines of race and gender. Then, beginning around 1980, the top income earners began pulling away from everyone else, which produced increasing disparities in wealth and income. Over the last ten years or so, wealth and income inequality leveled off and began to fall.[16] But the inequality that exists today has, for some Americans, epitomized the unfairness of the political and economic system. Many members of our Commission share this view and are particularly concerned about the ways the rich use their fortunes to exert political power and to preserve their advantages in the marketplace. Other members of the Commission are less concerned about inequality, per se. In their view, what matters most is to secure the well-being of those at the bottom of the income distribution and to ensure overall, continuous economic growth that benefits everyone; whether the rich become richer at the same time is unimportant.

Reflecting these varied views, the Commission's recommendations seek to do more than simply manage economic outcomes. Some of our proposals seek to remedy unfair market-generated disparities after the fact through taxes and government benefits, a process often called "redistribution." In addition, we advocate for what is known as "predistribution": structuring the economy in the hope that some of its most severe disruptions and unfairness might not occur in the first place, and would therefore not have to be remedied later.[17]

Predistributionary policies aim to spread economic opportunity and to create a more open, competitive economic playing field for individuals, firms, and industries.

Whether focused on redistribution or predistribution, the Commission's recommendations ask for action from a variety of institutions. Some reforms can be accomplished through the private sector or civil society, especially community organizations. As has been the case at other times in the nation's history, governments must also be involved in improving economic opportunities and outcomes for a wide swath of Americans. In some cases, government can help address market deficiencies by paying special attention to those who would otherwise fall through the cracks. In other cases, government itself is the cause of the problem. Federal, state, and local governments have adopted policies that are anticompetitive, disproportionately benefit the wealthy, deepen racial disparities, and generally contribute to the sense that the economy is rigged. Some of these policies were well-intentioned but are now outdated or have become counterproductive. No matter their origin, when policies create a barrier to security or opportunity, or when they fail those who need assistance, they should be reexamined and revised. Doing so will not only improve economic outcomes but will also help restore Americans' faith in the nation's institutions.

The Commission is guided by the idea that economic well-being fundamentally shapes the well-being of democracy, just as democratic well-being shapes the well-being of the economy. This report is not narrowly focused on the economy as an entity disconnected from other elements of society, but on what scholars call "political economy." The concept of a political economy is rooted in the idea that markets do not automatically or naturally exist. They are *created* by people and operate according to rules, which are usually set by governments. As in sports, what one notices about markets are the achievements of the players, not the deliberations among the referees and rulemakers. Who would want to watch the National Basketball Association debate the dimensions of the court or the duration of the shot clock? But rules and their enforcement shape how, and how fairly, the game is played. Analysis of political economy includes not only supply and demand curves but also consideration of voice and representation. Political economy is not a new concept in the United States. It was articulated by the nation's founders from the outset. As James Madison put it in 1787, "A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations. . . . The regulation of these various and interfering interests forms the principal task of modern legislation."[18]

Our recommendations to bolster economic opportunity and security, then, are aimed at identifying changes in the design and the administration of the institutions that are necessary to make those concepts a lived reality for most people. We offer solutions meant to foster Americans' recognition that their future is intertwined with the fates of their neighbors, their community, and their country. Reducing unfairness in markets and in government policies can improve these types of civic connections. A political economy of fairness can foster a culture of fairness.

The enactment of many of the recommendations we propose would be more likely if changes were made to the fundamental structure of some of the nation's democratic institutions. Many of the policies we seek to change—from

Delaney, left, and Mariam, right, spending Mariam's birthday canvassing for candidates in state and local elections in Dearborn, Michigan.

occupational licensing laws to the tax code—have staunch defenders, individuals or firms who help put these laws in place or who benefit from their preservation. Overcoming these political barriers requires a democratic system that is designed to serve the common good and to protect the interests of the greatest number of people. Such a system requires empowered voters, robust and effective political representation, and a healthy civic culture. The specific mechanisms to create such a system are beyond the scope of our Commission's work. These and other topics are the chief focus of a report that preceded ours, *Our Common Purpose: Reinventing American Democracy for the 21st Century*, prepared by the American Academy's Commission on the Practice of Democratic Citizenship.[19] *Our Common Purpose* acknowledges how economic factors can shape democratic behavior, but does not offer recommendations related to economic policy.

Our work seeks to complement *Our Common Purpose*, picking up where that report left off. The Commission on Reimagining Our Economy considers the recommendations in *Our Common Purpose* as one possible roadmap to more representative political institutions and a more participatory civic life. We recognize that such changes to America's democracy are vital preconditions for the implementation of many of the ideas in this report.

The Commission acknowledges that some of our recommendations would be expensive (and one would raise revenue through tax increases). In this report, we neither propose transformative increases in government spending nor lay out plans to pay for each of these policies. Yet keeping the U.S. national debt under control is an important component of building a strong, sustainable, equitable, and future-oriented economy that has the flexibility to respond vigorously to crises when needed. For some Commission members, this is a forefront consideration. Some members strongly support the principle of pay-as-you-go, meaning that new policies should be paid for in a way that supports economic growth, promotes fairness, and avoids increasing the national debt.

Following this introduction, *Advancing a People-First Economy* examines some of the specific problems facing the nation's political economy. It then offers our recommendations, a list divided into three sections, corresponding to the Commission's core values. In the first section, Security, our recommendations address precariousness through proposals focused on childcare and health care, housing, social safety nets, and banking. The second section, Opportunity and Mobility, includes recommendations to empower individuals to move up the job and income ladder, as well as proposals to enable left-behind communities to compete in the modern economy. In the final section, Democracy, we offer recommendations to foster trust and a sense that all Americans are in this together. We close with a brief conclusion that stresses the urgency of action to advance our proposals.

The Commission believes that creating a people-centered economy requires listening to the people whose lives the economy shapes. To arrive at our recommendations, we conducted interviews with issue-area experts, and we reviewed other studies and reports on how to reform the political economy. But we also wanted to hear from Americans whose voices are not typically central to policy discussions. We felt that any attempt to reimagine the economy should be rooted in the aspirations, struggles, and ideas of those for whom the economy is working well and those for whom it is falling short.

To highlight these voices, we embarked on two distinct projects that accompany our report. One was the aforementioned series of small group listening sessions held across the country. The Commission convened thirty-one of these conversations between February and September 2022, with participants from twenty different states. Though we did not endeavor to speak to a statistically representative sample of the country, we heard from a diverse range of people, including service, care, and airport workers; tribal leaders; teachers; small-business owners; community college students; and people experiencing homelessness and challenges to their mental and physical health. The sessions' leaders asked participants to discuss what values are important to them, what they feel contributes to their well-being and the well-being of their communities, and one thing they would change if given the power to do so. Quotes from the listening sessions are featured throughout this report.

The second endeavor we undertook was a photojournalistic project. Over the course of our work, the Commission became concerned about a lack of images that truly reflect the state of the American economy. Stock images too often offer dramatized depictions of the very rich or the very poor, and photojournalism does not always capture the full range of its subjects' economic experience. We wanted to look into the lives of Americans who are not on either end of the socioeconomic spectrum. To do this, the Commission engaged four photographers to capture day-to-day life in the American economy between July and September 2022, under the supervision of documentary photographer Nina Berman. The photographers were assigned to photograph people earning

Outside Frazier's Barber College in Houston, Texas. A community member reported that the College was recently closed. All he knew was that one day "there was a 24-hour eviction notice on the door."

around the national median income ($70,784 for a household in 2021) in four communities, each of whose average income is slightly below the national mean. These communities differ by geography and community type:

Williamsport, Pennsylvania
A small city in the Northeast
Photographer: Caroline Gutman

Dearborn, Michigan
A suburb in the Midwest
Photographer: Maen Hammad

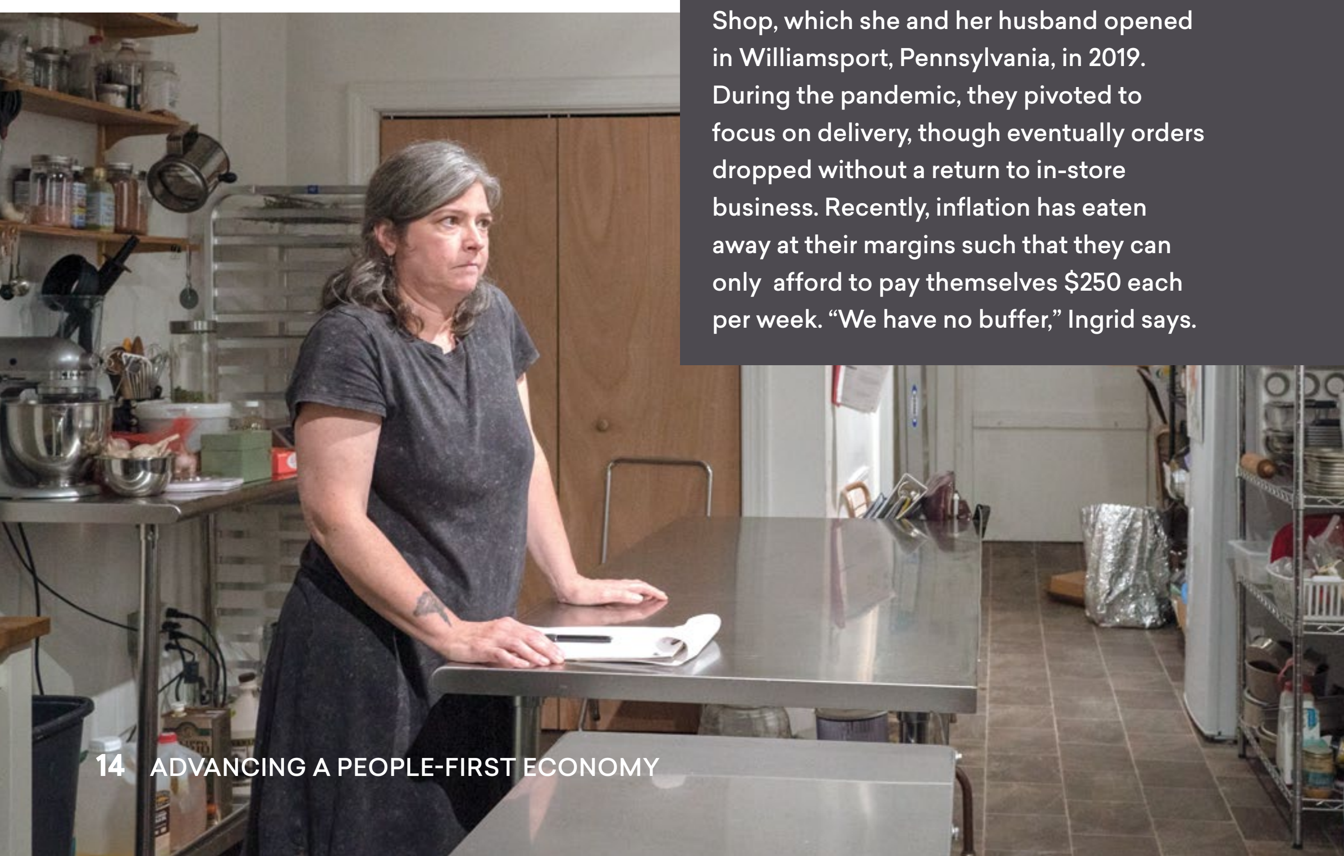
Third Ward, Houston, Texas
A neighborhood in a large city in the South
Photographer: Cindy Elizabeth

Tulare County, California
A rural area in the West
Photographer: Adam Perez

Each location has notable characteristics. Williamsport is well known as the home of the Little League World Series; Dearborn, a major suburb of Detroit, is the city with the largest percentage of Muslim residents in the country; Houston is the nation's fourth-largest city and its historically Black Third Ward is at the forefront of the city's changing landscape; and Tulare County is the second most productive agricultural county in the United States. Together, these four areas are not necessarily a representative sample of the nation, but they offer a useful cross section of communities and individuals around the center of the income distribution.

The photographs make for a powerful depiction of what it looks like to try to make it in America today. As with the listening sessions, the stories of the people in the photographs, communicated to us by the photographers, were vital in forging our recommendations. To conduct a people-focused examination of an economic and democratic system, charts, graphs, and regression analyses can only go so far. For the Commission, these images and the stories of their subjects put a human face to the problems we hope to solve. We include them in this report—and in a standalone photojournal, *Faces of America: Getting By in Our Economy*—because they embody the stakes of the issues at hand.[20] What would a reimagined economy mean for the people in the photographs? For their communities? For the nation?

This report advocates bold, actionable, and informed proposals to ensure security, provide opportunity, and bolster civic life. The nation and its economy are constantly evolving, so no single limited set of proposals can resolve the large questions we are discussing here. We aim to add our voice to a vital and urgent conversation taking place all over the country about finding measures that will help Americans who were left out of previous economic transitions and equip them to weather unforeseen future transformations. None of our recommendations, either singly or altogether, amount to a cure-all. But we believe the breadth and attainability of our proposals will help generate other impactful, achievable ideas and will expand the collective imagination of what a fairer economy might look like. Bringing our values and our recommendations to life will require action by government, the private sector, philanthropy, and others. All these actors ought to do so in full awareness of the ways that economic problems affect more than just the economy. By bolstering security, by protecting opportunity and mobility, and by forging a healthier democratic culture, we can foster the trust that is vital for the well-being of the nation, its institutions, and its people.



Ingrid in the back of The Tria Prima Tea Shop, which she and her husband opened in Williamsport, Pennsylvania, in 2019. During the pandemic, they pivoted to focus on delivery, though eventually orders dropped without a return to in-store business. Recently, inflation has eaten away at their margins such that they can only afford to pay themselves $250 each per week. “We have no buffer,” Ingrid says.

The Problems Facing the American Political Economy

Drawing on our listening sessions and our deliberations, this section offers a brief account of what the Commission believes are the most pressing problems facing the American political economy. We formulated our recommendations in the hope that, if implemented, they would help alleviate these problems. Not every Commission member agrees with every element of the problem descriptions that follow. Our members did, however, come to consensus around the general scope of the challenges that Americans face.

Large societal transformations strongly affect people's economic well-being in the short run, and reshape the political economy in the long run. While it is impossible to predict all such transformations, two are clearly underway: climate change and artificial intelligence. Both are massive in scale, and both are only beginning to reveal their economic and political effects. The Commission chose not to offer specific recommendations on either of these topics. Another Academy report—*Forging Climate Solutions: How to Accelerate Action Across America*—offers policy recommendations to 1) effectively and equitably remove barriers to climate action and 2) create a whole-of-society approach to accelerating climate mitigation and adaptation.[21]

Flaws in Our Democracy and Flaws in Our Economy Reinforce Each Other

The health of the nation's economy and the health of its democracy are inextricable. The Academy's *Our Common Purpose* report argues that it is impossible to understand the challenges facing American political institutions, political culture, and civil society without the economic context of the last fifty years.[22] The uneven distribution of economic gains is both the cause and the result of unresponsive political institutions. The extent of the unevenness is difficult to ignore. Growth and productivity gains have not been broadly shared. Since 1980, the rise in GDP per capita has outpaced the rise in median household incomes in all member countries of the Organisation for Economic Co-operation and Development, with the United States having the fourth greatest divergence, trailing only the Slovak Republic, Hungary, and Poland.[23] Although a tight labor market has recently fueled wage growth for low-income Americans, wages in the top 10 percent of the national distribution have risen much faster than in the bottom 90 percent since 1979, and wages in the top 1 percent and top 0.1 percent have skyrocketed.[24] Such uneven distribution of wealth and income has a cascading effect, and many of our Commission members believe it increases levels of economic insecurity and makes opportunity harder to achieve. Many members of the Commission also believe that economic inequality puts our democracy under strain. In the current structure of our democratic system, economic power translates into political power. The notion that our democracy is more responsive to the interests of the rich and powerful has caused many ordinary Americans to lose faith in the ability of the political or economic system to address their needs. This has resulted in less representative institutions, disillusionment, or, more dangerous, a turn to extremism.

The economy shapes democratic life in more tangible ways as well. Multiple listening

"There's a lot of poor [people] in this area and there are some areas where there is no support. What can we do? We don't have advocates to help us or stand up for us. And if we do, we can't find them. We can't get in touch with them because we don't have phones. And when you do finally get back in touch with them, they can't follow through. . . . We're so far down on the economic chain that we don't have nothing. It seems like our voices don't matter."

— Reuben, Former Welder, Texas (pictured) session participants noted that they want to be involved in their communities but are not able to do so. Many people who work more than one job do not have the time or resources to attend a town hall meeting, volunteer with a local nonprofit, or get involved in politics. And in a democratic society, workers should be able to participate directly in helping shape the conditions of their work. In national surveys, many American workers report having less influence over decisions at work than they believe they should have.[25] Many of our participants were appreciative of the chance to take part in the listening sessions, simply because it felt like a rare opportunity for them to make their voices heard. They should have many other opportunities to do so.

There are other challenges in the functioning of the nation's democracy that exacerbate economic problems. Gridlock in polarized institutions can stymie hopes for legislation that would enable broadly popular economic reforms. The high cost of campaigning can make it hard for the voices of regular voters to be heard and can make it difficult for lower- or even middle-income Americans to pursue elected office. Finally, a divisive political culture makes it difficult for Americans to believe that "everyone is in this together." People's fear that the political system will not address their economic concerns ultimately threatens the nation's political and economic systems.

Reforming the economy without addressing these challenges would be inadequate, as would reforming our democracy while ignoring the nation's economic problems. One of our recommendations focuses on changing the socioeconomic makeup of representative institutions. Other recommendations call for strengthening institutions that can help bring communities and individuals together across lines of difference. Still others address the nuts and bolts of connectedness and address the unfair ways political institutions have been used to serve the interests of a select few.

Economic Insecurity Is Too High

Too many American families live with economic precarity. Despite progress in recent years, the percentage of families relying on food pantries has risen: nearly one-quarter of American adults reported food insecurity in 2022.[26] More than nineteen million renters are burdened by housing costs (meaning that these costs make up at least 30 percent of their income), and the number of homeless children in public schools has reached unprecedented levels.[27] Economic instability has left many Americans incapable of building a strong enough financial foundation to weather life's unpredictable events.

These statistics only show the hard facts of financial precarity. They do not account for the mental toll that the stress of insecurity causes for American families and individuals. Throughout our listening sessions, we heard from Americans across a wide range of the socioeconomic spectrum who are unable to save enough to account for unexpected emergencies like car accidents, health issues, or natural disasters. The feeling of precarity permeates every part of their life, affecting their work, their civic life, their family, and their outlook on the future. Those who rely on social welfare programs feel that these programs are poorly designed or inaccessible, and do not meet the intended goal of providing American households with a real safety net.

The federal, state, and local responses to the COVID-19 pandemic demonstrated that government assistance, when deployed effectively, can lead to real progress in reducing insecurity. The expanded Child Tax Credit alone sharply reduced child poverty, which fell to a historic low of 5.2 percent of children below the Supplemental Poverty Measure in 2021. While children of all racial backgrounds benefited from the expansion of the Child Tax Credit, poverty rates fell most dramatically among Black children and Hispanic children.[28] These successes are proof that the right programs, administered in the right way and under the right circumstances, can make major differences in people's lives—a lesson that should not be forgotten.

All Americans should be able to expect a basic level of security. Our recommendations are meant to help ensure that all Americans are able not only to cover basic necessities but also to endure life's ups and downs without fear of financial ruin. We identify strategies to remove barriers preventing security, particularly in health care, housing, and poorly designed social safety net programs. We also offer suggestions for constructing springboards to stability.

A prolonged drought and the detection of hexavalent chromium in the water supply have forced the residents of Tooleville, California, to rely on bottled water since 2014. The nearby town of Exeter has blocked proposals to share its water supply with Tooleville.

Working Forty Hours a Week Does Not Always Allow People to Support Themselves and Have a Decent Life

Work is a crucial component of American life and is vital for the pursuit of dignity. People spend much of their time and energy at work. Many Americans achieve a sense of self-worth and agency through their efforts to support themselves and their families. In the Commission's listening sessions, almost no participants yearned for a life without work—including those who are unable to hold a steady job. While some acknowledged that they need help to get back into the workforce or need better pay or working conditions, they hoped to earn self-sufficiency through an honest day's work.

The Commission seeks to help restore the social contract in which someone working full time, forty hours a week, can support themselves and their family and achieve a decent life. The Commission defines work capaciously. We take it to include work that is publicly valued and compensated, and also the essential labor of care and of meaning- and community-making that often exists outside our standard assessment of the economy and work life.

Farm worker in Tulare County, California, after an eight-hour shift.

The Commission believes that all work has dignity. We also believe that all work deserves dignified compensation. It is unsurprising that Americans who feel they are fulfilling their side of the bargain by working lose faith when they are not sufficiently rewarded for their efforts.

During the height of the COVID-19 pandemic, a wide swath of workers were labeled "essential," particularly people employed in grocery stores; child, elder, and health care facilities; food processing plants; and the agricultural sector. It was not lost on many Americans that some of the jobs considered essential were among the lowest paid, without robust benefits, and lacking in worker protections. Americans like having packages delivered on time and grocery shelves well stocked, but these things do not just happen. The nation owes more to the workers who are essential to keeping its economy afloat and maintaining its standard of living.

Any affirmation of the inherent dignity of labor needs to be accompanied by practices and policies that ensure workers receive the respect and compensation they are due. These should enhance workers' bargaining power with employers, increase their take-home pay and benefits, and improve their prospects for better jobs. Some of the recommendations in our report would have this effect, including investments in worker training and upskilling, more flexible childcare and health care arrangements, the deconcentration of economic power where a single employer dominates the labor market, an expanded Earned Income Tax Credit, and the removal of unnecessary regulations keeping workers out of good jobs for which they are qualified.

Ensuring that work is rewarding also means workers need to be able to afford the necessities of life. The social contract is built not only on workers' opportunities but also on ensuring that their health care, housing, childcare, and other central components of life are affordable.

The Commission reaffirms every worker's opportunity to organize as part of a union. Workers deserve the opportunity to decide whether a union is right for their workplace and whether they want to join one. Some employers seek to prevent their workers from organizing or exercising the rights provided to them under the National Labor Relations Act (NLRA) (the law does not apply to public-sector workers). The NLRA makes it an unfair labor practice for an employer "to interfere with, restrain, or coerce employees" in their pursuit of a union.[29] While employers have a right to make their case to their employees against unionization, some employers take excessive steps to prevent union formation, sometimes violating federal law in the process.[30] The Commission supports the legal protections that allow workers the opportunity to unionize.

Racial Disparities Are Stubbornly High

Racial discrimination is embedded in many of the nation's economic and political institutions. It helps explain the racial disparities in many areas of American life, including education, employment, housing, health care, and the criminal and civil legal systems. These disparities are not accidental or natural. They are the cumulative result of centuries of public policies and institutional practices, many of which were explicitly designed to perpetuate racial inequities.

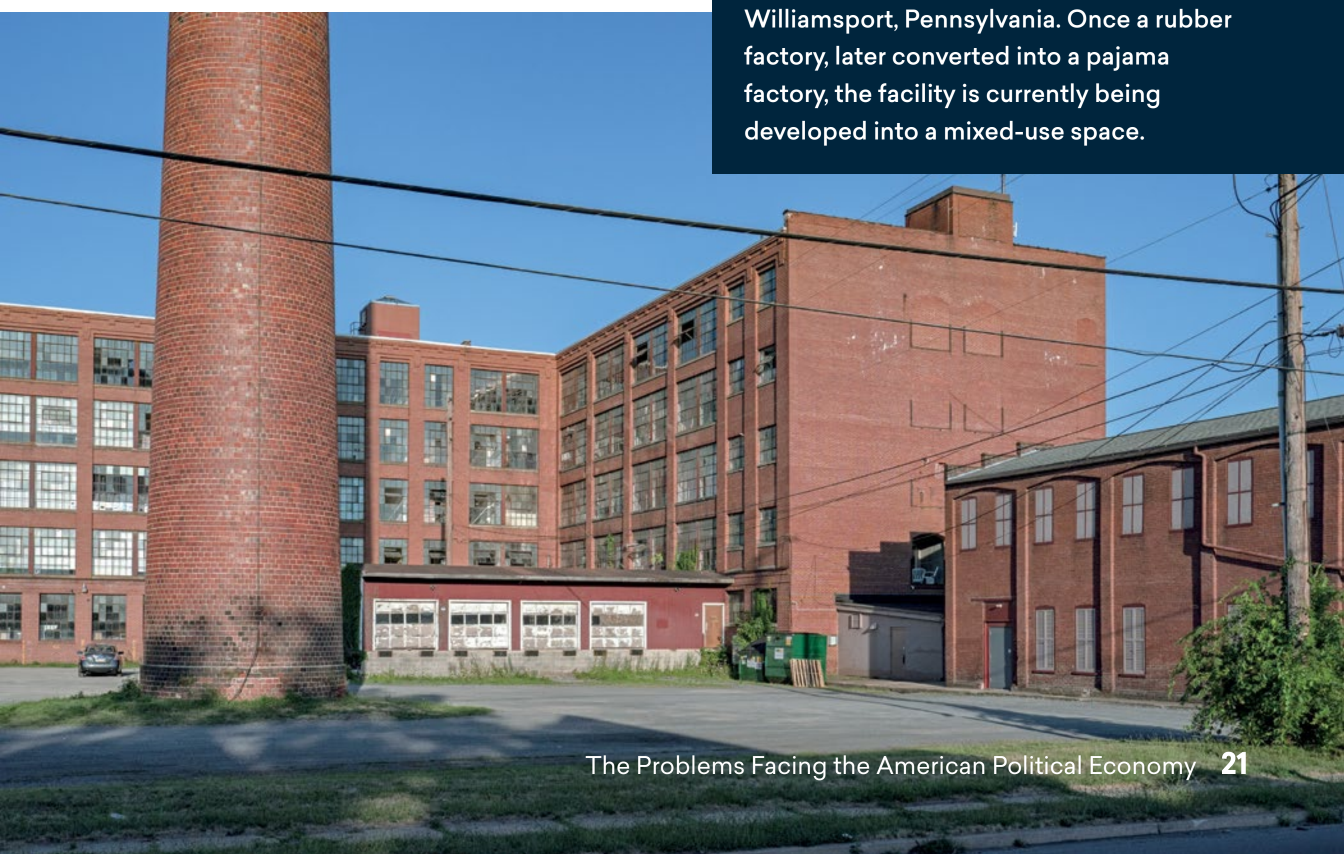
Over the course of American history, major pieces of federal social legislation were exclusionary along racial lines. For example, when Social Security was enacted in 1935, it excluded agricultural and domestic workers, a large percentage of whom were Black. And decades of redlining by federal housing agencies deprived minority neighborhoods of equal access to mortgage loans and other investments. Such policies have provided socioeconomic benefits to white Americans and prevented non-white Americans from receiving them. These policy choices have been highly consequential for succeeding generations, and they help explain why white Americans have amassed wealth and economic resources at higher rates than minorities. In 2022, the wealth of Black or Latino households was, on average, roughly one-quarter that of a white family (there is no recent nationwide data that capture the wealth of Native American households).[31] The nation needs to do more than merely end discriminatory policies. As President Lyndon Johnson famously said in 1965, the nation cannot "take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others,' and still justly believe that [we] have been completely fair."[32] By creating policies that address past harms and ongoing disparities, the United States can get closer to having an economy that truly provides everyone with economic security and fair access to opportunity.

Economic Opportunity Is Geographically Skewed

The United States has always had richer areas and poorer areas. But over the last few decades, the gap between the richest and poorest regions and communities has become more dramatic. High-paying jobs, high-growth industries, and the best education and health care facilities are generally concentrated in a few coastal cities. Between 2015 and 2019, for example, just eight cities—San Francisco, San Jose, Austin, Boston, Seattle, Los Angeles, New York, and Washington, D.C.—accounted for almost half of the nation's new tech-sector jobs.[33] High-paying occupations such as finance are concentrated in many of these same cities, as well as Chicago, Atlanta, Charlotte, and Miami.[34]

Other parts of the country have been left behind, particularly communities in rural America, but also suburbs and overlooked areas within some of the wealthiest cities. These are places where population growth has stalled, business formation has slowed, jobs have disappeared, insecurity has increased, and local media have evaporated. If someone born into one of these communities wants a better life, they often have to move elsewhere.

Shut out from much of the economic progress of the last few decades, some people in these communities have understandably become resentful of urban elites and the perceived disempowerment of their communities in the political and economic system.[35] This situation



Exterior of the Pajama Factory in Williamsport, Pennsylvania. Once a rubber factory, later converted into a pajama factory, the facility is currently being developed into a mixed-use space.

bears many similarities to the geographic cleavages that have affected other Western democracies in the aftermath of late-twentieth-century globalization. The Commission is particularly concerned about these disparities, and with bolstering security, opportunity, and civic life in left-behind areas.

Access to Opportunity Is Unequal

The idea of the United States as a land of opportunity is a central part of the national narrative, and a point of pride in American culture. The nation promises people the chance to build better lives for themselves through education, hard work, entrepreneurship, and imagination. But in reality, Americans have never all had equal access to opportunity and upward mobility. Geography, racial discrimination, and unequal access to high-quality schooling, among other limiting factors, mean that opportunity is not equally distributed. Some of the recommendations in this report aim to bolster opportunity and mobility by creating chances for workers to secure better jobs, improving economic prospects for left-behind communities, and addressing anticompetitive market behaviors.

The most obvious formal structure of opportunity in the United States is our public education system. Education is not mentioned in the Constitution, but our country has long been a leader in building a free, universal public education system, first in elementary school, then in middle school, then in high school. The most glaring exception to the American educational ethic has been public schools for nonwhite Americans. Schools for Black children, for instance, were in many places banned entirely, then kept separate and inferior, then often left isolated and under-resourced. The Commission believes the principle of universal high-quality education at public expense is essential and should be embedded in any ambitious reimagining of our economy. This includes correcting the system's shortcomings.

Another distinctive feature of American public education is its extreme decentralization. Public schools are under the control of roughly thirteen thousand local school districts, which usually answer primarily to local boards and state education secretaries. Local real estate taxes are still the primary means of financing public education, which makes giving every child an equal opportunity a significant challenge. Unlike most of the developed world, the United States does not have a national curriculum, and recent attempts to create one have encountered fierce opposition and failed. National-level educational reform is challenging and politically complicated.

Because our Commission has such a broad mandate, we have chosen to focus our recommendations on a limited number of areas about which we feel that there is not enough public concern, or for which we have identified potentially large advances that may be achievable in the medium term. For that reason, our recommendations for education focus on America's community college system and the enhanced role it can play in educating students for citizenship and in training them for and connecting them to good jobs in their communities. But our focus on community colleges should not be taken for a lack of concern with K–12 public education. Education and public policy scholars have in recent years produced a great deal of promising research on the connection between spending and student success, on what kinds of teacher training and instructional methods are most effective, and on the potential good effects of rigorous curricula and extended school days and academic

> “We really live in a world of abundance, but the abundance is misdistributed. And so yes, on the ground level, in our communities, there’s individual strategies that we could employ to do better, but on a macro level, we really have to talk about systemic change.”
>
> — Barbara, Historian and Activist, Illinois

years. All this amounts to more than we can cover in one or two recommendations. But it is urgent for the country to put K–12 education at top of mind if it is truly committed to having a high-functioning democracy that offers real opportunity to everyone.

The Place and Design of Markets Is Often Unfair

Markets are made, not born. The notion of a *political* economy is rooted in the idea that government sets the rules under which markets and market actors operate. The specifics of government/market arrangements are not set in stone. Political economy is constantly renegotiated among the many actors involved, because there is no one place or document where America’s version of political economy is articulated.

Still, there are dominant paradigms that prevail at different times. These paradigms matter a great deal, because they shape countless economic decisions by governments at all levels, in legislation, regulation, and jurisprudence. Over the last few decades, the prevailing economic paradigm focused on minimally regulated markets and the spread of market sensibilities into all parts of American life. One result is that many of the civil society sectors meant to be somewhat protected from market pressures have instead been subsumed by them, most obviously higher education and journalism.

Another challenge is that, in the name of unfettered economic growth, wealthy firms and individuals have been able to preserve their advantages through friendly regulations or tax policies, often at the expense of other businesses and less wealthy individuals. The dominant economic approaches of the last few decades have sustained productivity growth but have also led to rising inequality, economic instability, and political discontent.

The nation is at a moment, recurring throughout American history, when policymakers and the public are reconsidering and readjusting the relationship between markets and governments. This is a broad development with many participants, including politicians in both major political parties. It is still in its early stages. We are proud to be able to take part in it. Altogether, our recommendations are meant to help the country envision a different political economy by providing a series of specific examples of actions and policies that would help, and that could attract bipartisan support. What our recommendations have in common is a focus on people’s well-being, and we do not assume that rising market indicators will automatically produce that result. Our mission, and that of many others at this moment, is to imagine a political economy that operates more clearly to the benefit of most Americans and generates more trust in our system and institutions.

Overview of Recommendations

SECURITY

1. Redesign safety nets to ensure stability.
2. Adopt inclusionary zoning policies to increase the housing supply.
3. Reform childcare and health care to lower costs and facilitate benefit portability.
4. Expand access to low-cost banking for low-income Americans.

OPPORTUNITY AND MOBILITY

5. Remove regulations preventing people from participating in the labor market.
6. Bolster worker training and education pathways through private-sector upskilling and a strengthened community college system.
7. Extend to Black World War II veterans and their descendants the housing and education benefits they were denied under the 1944 GI Bill.
8. Expand broadband connectivity for rural, tribal, and underserved urban areas.
9. Allow states or municipalities to sponsor immigrants to boost their economies (Community Partnership Visas).

DEMOCRACY

10. Create a training and financing program to help working-class Americans run for political office.
11. Deconcentrate economic power.
12. Revise the tax code to incentivize work and end tax policies that benefit the wealthy.
13. Support tribal governmental infrastructure to advance Native American self-determination.
14. Facilitate the creation of robust local and community media.
15. Promote economic connectedness.

Fixing a broken AC condenser on a used car in Dearborn, Michigan.

Section 1: *Security*

A reimagined economy must be grounded first and foremost in the value of security. We define security as the ability to meet one's economic needs sustainably and to endure periods of instability. An economy that rests on the principle of security ensures that Americans can cover their food and housing needs and have access to affordable health care, education, and childcare. A secure economy is one in which people can afford these basic goods and services because social safety nets help ensure that everyone achieves a certain degree of sufficiency. Finally, an economy that values security provides Americans with enough support to be able to weather economic shocks—both personal shocks, such as a job loss or an illness, and societal shocks, like a pandemic or recession.

> "How much amazing stuff are we missing from all the people who live in this country who could do anything if they weren't just struggling to stay alive all the time? It's utterly ridiculous. It's a travesty. If they were put in a place where they weren't pulling themselves up by their bootstraps all the time, what could they actually do for humanity? I think the potential is just unimaginable."
>
> — Alex, Administrative Assistant and Graduate Student, Montana

Security allows Americans to meet their basic financial needs and it enables them to flourish as human beings. In his 1944 State of the Union Address, President Franklin Delano Roosevelt made a declaration that remains apt today: "True individual freedom cannot exist without economic security and independence."[36] Many Americans today understand that a lack of economic security inhibits their personal freedom. As we heard from listening session participants, having to work two or three jobs to make ends meet deprives people of time for themselves, their family, and their community. Living paycheck to paycheck forces people to live in a short-term mindset, preventing the making of long-term plans that could improve their circumstances. By bolstering security, the nation can get closer to an economy in which Americans from all walks of life are free to reach their potential and pursue their dreams.

The following recommendations aim to remove obstacles that are currently preventing Americans from achieving security. Some of these recommendations are focused on solutions that will make it easier for people to meet their basic needs in areas like housing, health care, and childcare. Other recommendations in this section extend governmental protections for those who need extra help. In particular, we call for a more capacious view of social welfare programs, with the goal of providing not only a backstop against disaster but also an opportunity to advance. Together, the Commission's proposals in this section will help more Americans experience security and the freedom and comfort that security provides.

RECOMMENDATION 1

Redesign Safety Nets to Ensure Stability

Over the course of the Commission's thirty-one listening sessions, participants from a wide range of backgrounds and many different parts of the country offered similar critiques of the design of social welfare programs. Though intended to protect people from hardship, these programs can be difficult to access, can fail to address the full scope of the problem they are trying to solve, or are designed in such a way that they actually create barriers to opportunities that could lead to mobility. Based on this insight and our research, the Commission has identified three specific ways that the design and administration of social safety nets could be reimagined.

Reduce Cliff Effects

Cliff effects arise from income eligibility cutoffs built into certain benefits programs. If household income rises above a certain threshold, the household becomes ineligible for specific programs or types of aid. This sudden loss of benefits forces households to scramble to replace vital assistance rather than to adapt in a sustainable way. Or recipients might strategically avoid earning higher wages in order to remain eligible, for example by splintering rather than pooling earnings. Cliff effects are prevalent in many federal, state, and local housing programs (rental assistance, vouchers, and eligibility for public housing), as well as childcare, health insurance, food assistance, and utility assistance programs. Because of the difficulty of phasing out health care benefits gradually, these types of programs offer particularly stark and sudden cliffs. In California, for example, an individual must make less than $47,520 a year to qualify for Medicaid. If they received a raise at work bringing their income even $1 above this threshold, they would lose their health care coverage, resulting in a net decrease in income.

The Commission supports transforming a social insurance system with cliffs into one shaped like a gradual curve that eases people off via a scaled and appropriate gradient. We believe that no one receiving social welfare benefits should ever be made worse off as a result of earning an extra dollar. Households should be able to preserve their wage growth, and marginal earned income should never produce a net decrease in a person's overall income. To help accomplish this, we recommend some combination of the following:

- Adopt a gradually phased-out benefits structure for key security programs like the Supplemental Nutrition Assistance Program (SNAP). Such gradients are already in place for the Earned Income Tax Credit (EITC). (For more on the model of the EITC, see Recommendation 12: Revise the Tax Code to Incentivize Work and End Tax Policies That Benefit the Wealthy.)
- Reimagine how family income is calculated. In particular, incorporate considerations of local costs of living and the full complement of the benefits and tax credits a household receives.

"The system, as far as single moms with children, is designed to keep you there. If you make a penny over, they're going to take away your SNAP benefits, your health insurance. However, that penny isn't enough to cover the rest of the rent and the light bill. . . . If they would just have maybe a grace period . . . after getting a raise at work and the new job. And they don't automatically say, 'Oh, you [now] don't qualify for childcare.' So, then you have to start paying that immediately."

— Kailin, Café Worker, Kentucky

- Utilize or develop calculators to help recipients and caseworkers better identify benefit cliffs and develop training for caseworkers to help clients plan for the transition after they are no longer eligible for benefits.
- Revise asset limits and enact income disregards, which allow certain types or a certain percentage of household income to be excluded from standard calculations of household income.

Improve Information and Legal Assistance

Our listening sessions made clear that many Americans lack information about government benefit programs they are eligible for or how to secure legal assistance to access those benefits. The Commission hopes that a reimagined benefits system would be sufficiently user-friendly that legal assistance would not be required. Absent those reforms, the Commission offers two suggestions.

First, enable specialists to help Americans navigate government bureaucracies and court systems. These specialists might be lawyers, social workers, or other professionals trained to provide legal assistance. A recent study paired a group of Seattle-area housing voucher recipients with a nonprofit organization to help them conduct their housing searches, meet with landlords, and address short-term financial needs. Families paired with such navigators were more than three times more likely to move to a high-opportunity neighborhood than those who received no assistance, and they significantly outperformed families that only received some help.[37] This research suggests that the nonprofit sector should scale up the use of navigators for housing and other types of government assistance, including consumer debt, health care, and veterans' benefits. The Commission supports ongoing pilot programs in this area, including programs to provide navigators to households with medical and consumer debt.

Second, as detailed in the American Academy's report *Civil Justice for All*, Americans are entitled to a lawyer in many criminal cases, but there is no such guarantee of a lawyer in *civil* matters, which encompass health, family, stability, financial security, and housing (for example, disputes between landlords and tenants).[38] Current funding for the Legal Services Corporation, which supports the provision of civil legal aid, can address only 8 percent of the significant civil legal problems faced by low-income Americans.[39] Nonprofit organizations seeking to aid lower-income Americans should finance the provision of legal services in civil justice matters, and state and federal governments should designate legal services as a valid use of funds for programs designed to aid lower-income people.[40]

An important way to help more Americans get the civil legal help they need is increasing the number of people allowed to provide this type of aid. In most states, lawyers are the only ones permitted to provide legal assistance. This state-sanctioned monopoly limits the supply of qualified aid providers, especially in rural areas. It also increases costs and stifles innovation, making private-sector legal assistance unattainable for many households. Utah, Arizona, Minnesota, Oregon, and California permit the use of nonlawyers for legal services in civil justice matters (though each state has adopted a slightly different model). The Commission encourages more states to expand the number and range of providers in the field of legal aid.[41]

Adopt a Place-Based Approach to Combat Concentrated Poverty

Many government programs and nonprofit efforts targeting poverty are focused on the household level. The Commission recognizes that these types of interventions alone are not enough. Many American communities need more holistic policies and programs to help them confront the problems created by long-standing patterns of disinvestment. In places where poverty has become concentrated, public schools and infrastructure have deteriorated, and elected officials have been unable or unwilling to confront the largest challenges, household remedies are not enough. Place-based policies that address a broader ecosystem of issues are essential.

One example of a place-based approach is the bipartisan 10–20–30 program, which directs at least 10 percent of funding from specific federal programs to the counties where 20 percent or more of the population has been living below the poverty line for the last thirty years. While the formula has been applied to certain federal rural, economic, and community development programs since 2009, it could be expanded to cover a wider range of federal programs.[42] As of 2020, four hundred sixty counties in the United States have been designated as areas with "persistent poverty," and the racial demographic breakdown of these counties in the aggregate is roughly in line with that of the nation as a whole. The 10–20–30 formula is race-neutral, then, while also providing an avenue for addressing racial disparities in federal funding.[43] This program does not require additional federal funds, but instead makes existing investments more targeted to address the multiple ways in which concentrated poverty affects communities. Such a recalibration of funding priorities would represent a systemic approach to helping those areas of the country that have been left behind.

Third Ward, Houston, Texas.

RECOMMENDATION 2

Adopt Inclusionary Zoning Policies to Increase the Housing Supply

The nation has an affordable housing crisis. Rising housing prices have increased rents and made homeownership an impossible dream for millions of Americans. More than nineteen million households were housing cost-burdened in 2021, meaning they spent more than 30 percent of their income on housing costs.[44] In recent years, this crisis has expanded from the coasts into nearly every state. The lack of access to affordable homes is partly due to a historic housing shortage, as low supply and strong demand have caused prices to skyrocket. One 2022 study found that the United States is 3.8 million homes short of meeting its housing needs, a number that has doubled in the past ten years.[45]

The housing shortage affects Americans across the class spectrum, especially when it comes to buying a home. Homeownership has obvious financial benefits: it is the main way families build, maintain, and pass on wealth intergenerationally. Owning a home also creates rootedness and can help foster community involvement. The inability to achieve the milestone of homeownership, particularly among young Americans, can result in further disillusionment with the nation's democratic and economic systems.[46]

One way to increase new home construction and make housing more affordable would be to amend restrictive zoning rules. Many areas, especially those with high job growth (such as Boston, Washington, D.C., and San Francisco), have used zoning and other regulations to limit new housing development. In particular, the widespread use of single-family zoning has severely restricted housing supply. According to *The New York Times*, 75 percent of residential land in American cities is limited to single-family homes.[47] Exclusionary practices make it illegal for developers to build multifamily apartment complexes or smaller homes that would be more affordable. The net result is that many Americans—especially those in low-income and working-class households—cannot afford to live in the areas with the highest levels of economic and educational opportunity. And if they work in these areas, they cannot afford to live near where they work, resulting in long commutes, reducing their well-being, and exacerbating worker shortages. All of this reduces workers' potential to secure a better life and diminishes overall economic growth.[48]

The Commission recommends that localities take two steps that would help address the supply-side causes of the housing affordability crisis:

1. Reform single-family zoning ordinances, making it legal for developers to build multifamily housing units and for homeowners to build accessory dwelling units on their property.
2. Pass inclusionary zoning ordinances. These ordinances could take a few different forms. One possibility is to create tax incentives for developers to build affordable housing units. Another is to mandate that new developments meet a minimum percentage of affordable units.

State-level policy has a large influence over whether localities can pass inclusionary zoning measures. Twenty-two states currently limit or prohibit inclusionary zoning at the local level.[49] States could encourage zoning reform in local communities by changing these laws.

CASE STUDY

Ending Exclusionary Zoning in Minneapolis, Minnesota

In late 2018, Minneapolis made history by abolishing single-family-home zoning citywide. This move was striking for its broad approach. Other localities that have enacted zoning reform have done so incrementally. Portland, Oregon, New York City, and Arlington, Virginia, for example, liberalized zoning in certain neighborhoods but have not adopted wholesale changes throughout the city.

Until 2018, Minneapolis's zoning restrictions set aside 70 percent of residential land for single-family homes. This exclusionary zoning was part of the reason for the city's housing affordability crisis, with low supply and high demand causing housing prices to rise. With a city council vote, Minneapolis ended these restrictions, paving the way for the construction of duplexes and triplexes in areas traditionally reserved as single-family lots. City officials estimate that these changes will nearly triple the housing supply throughout Minneapolis.[50]

The elimination of single-family zoning is part of a comprehensive city plan, known as Minneapolis 2040, to create a more affordable, equitable, and economically dynamic city. The plan also includes an inclusionary zoning measure that requires 10 percent of newly developed units to be set aside for low- and moderate-income households.

How did Minneapolis overcome the political roadblocks that have impeded zoning reform in other American cities? Experts believe the accomplishment resulted from extensive democratic organizing and collaborations between advocates and local city officials. Organizers formed the group Neighbors for More Neighbors, which brought together civil and tenants' rights groups, church and labor leaders, environmentalists, and senior citizens. Supporters of the Minneapolis 2040 plan, including Mayor Jacob Frey, also found creative platforms for community engagement. Traditionally, zoning hearings are dominated by affluent homeowners who oppose such changes. By seeking feedback in places like church and union meetings, advocates were able to garner support for zoning reform from a diverse set of audiences and increase political pressure. The 2040 plan passed with a nearly unanimous city council vote.

It will take time to adequately measure the effectiveness of zoning change in Minneapolis. However, the fact that such a sweeping measure was enacted in a major American city is worth observing and understanding. The succinct arguments given for ending exclusionary zoning, the broad coalition-building, and the creative approaches to public feedback are all steps that other localities can follow. Doing so will raise the likelihood of zoning reform measures being enacted across the country, a trend that is necessary to address the affordability housing crisis impacting millions of Americans.[51]

The Commission recommends that the federal government also aid in this effort through financial incentives. More federal funding for programs such as Community Development Block Grants can be awarded directly to localities that have adopted inclusive zoning regulations. Such funding can be withheld from communities that continue to enact exclusionary zoning. Ideas like these have received bipartisan support.[52]

Certain local communities have tried to enact zoning reform measures but have been thwarted by community members who benefit from the current system. To make zoning changes, most localities must solicit residents' approval at community zoning hearings. The original impulse for creating such opportunities for public feedback came from a good place. In the mid-twentieth century, major projects like the construction of federal highways were undertaken without any community say and resulted in the displacement of community residents, many of whom were low-income and nonwhite. Today's zoning hearings are the product of the reforms implemented to give community residents voice in what happens in their own neighborhoods. However, these public hearings have largely been co-opted by those who are already homeowners, many of whom tend to be white and well-resourced.[53]

Zoning proposals often spark such opposition because residents fear that new construction will reduce the value of the homes in their neighborhood. New Jersey provides evidence to counter these concerns. A Supreme Court of New Jersey ruling, *Southern Burlington County NAACP v. Mount Laurel Township*, prohibits exclusionary zoning and requires that all municipalities provide a "fair share" of

Homes under construction, Third Ward, Houston, Texas.

> "I was able . . . in the 1980s to buy a first house on a modest income and start building security that way. But I fear I'm maybe the last one in my family to be able to do that for a while. My kids who are adults in their mid 20s are not able to buy homes right now even though they have good jobs and good partners. And so something's got to happen with this economy that allows the next generation to continue to build security through homeownership."
>
> — Chris, Newspaper Editor, Montana

affordable residences. This mandate has forced more than three hundred forty New Jersey towns to develop affordable housing units. Case studies of these communities have found that the construction of new housing units did not lower property values, nor did it result in rising crime or higher taxes. *Mount Laurel* provides a useful model, in particular, because of its effective countering of opposition to zoning changes. Under the court mandate, New Jersey residents must either consent to new housing development within their community or pay extra taxes for affordable units to be developed elsewhere. However, such court rulings cannot be ensured and may remain rare. Other areas, though, have initiated their own zoning changes without mandatory, court-ordered reforms. Minneapolis recently became the first major city to end single-family zoning through a comprehensive plan passed by the city council. Other states and localities should deploy similar methods to charge residents in communities with doing their part to address local housing needs.[54]

By passing inclusionary zoning policies, communities can make housing more affordable, improve the long-term financial stability of their residents, and do their part to address the nation's critical housing shortage.

RECOMMENDATION 3

Reform Childcare and Health Care to Lower Costs and Facilitate Benefit Portability

In the Commission's listening sessions, the Americans we spoke with yearned for the ability to bear ordinary risks and shocks—to have a cushion in case of illness or accident. Many participants identified the lack of affordable childcare and health care as causes of this insecurity. The sense of uncertainty that comes with living one medical bill away from financial hardship can forestall hopes for a better future. Americans should be able to take care of their mental and physical health without fear of financial catastrophe. And decisions about having children should not be dominated by concerns about the cost of childcare.

Health insurance and childcare can also serve as barriers to opportunity. The United States' unique reliance on employers to provide health insurance means that job opportunities and health coverage are closely linked. Workers may fear losing benefits if they change jobs. They may also be averse to incurring the costs associated with changing health care providers that might come with changing health plans.

And workers may not enter the labor force at all if they cannot receive work supports like health insurance and childcare—especially if they risk losing access to public benefits in doing so. Moreover, independent contractors and self-employed workers often go without benefits. This strengthens the case for greater provision of portable benefits that are within the means of workers.

The challenges Americans face in getting affordable health care and childcare can have damaging individual and societal consequences. Someone who receives a surprise medical bill for a procedure they were told would be covered by insurance, or someone who wants to take a better job but cannot afford to do so out of fear of disrupting their childcare arrangement, might understandably mistrust market or political institutions. Access to basic health care and childcare represents a seemingly fundamental component of the social contract, one that many Americans believe to be broken. In 2021, three-quarters of Americans said the nation's health care system needs either "major" changes or needs to be "completely reformed."[55]

A patient at the Arab Community Center for Economic and Social Services Community Health and Research Center, Dearborn, Michigan.

> "You can economize, but you really can't control what happens to you if there's a medical expense. So that uncertainty really affects your well-being, it affects what you do, it affects how you behave."
>
> — Shambu, Airport Worker and Tutor, Virginia

Health Care

The Commission has identified several principles that should guide public policy on health care. We arrived at these principles based on the concerns described above and our awareness of the changing relationship between health care and employment.

Over the last few decades, health care reformers have led a movement to decouple health care benefits from employment. This effort responds to both the decline of employer-sponsored coverage over the past generation and the expansion of alternative sources of coverage (especially the Medicaid and Affordable Care Act marketplaces). But despite major changes to U.S. health care policy, significant challenges remain: the United States is still too far from universal coverage, the costs of health care have steadily risen and are projected to increase sharply, and there is growing concern about the quality of future care and about the nation's ability to remain a health care innovator.

The Commission suggests the following principles to guide the nation to better health care policy:

1. Encourage new options for coverage that do not run through employers. These could include Medicaid (which is often run through private plans), new "public options" such as federal Medicare or state-level buy-in programs, and mutual benefit associations such as freelancers' benefits.
2. Create opportunities for employers to contribute to the cost of such options without sponsoring benefits directly. This would allow health care to remain a part of employers' recruitment and retention efforts, without creating the risk and immobility for workers that result when benefits are closely tied to a particular job. Such an arrangement would also prevent employers from using benefits programs to determine employee access to procedures, prescriptions, and other forms of medical care.
3. Reduce subsidies of employer-provided health insurance, particularly for high-income households, relative to portable benefit options (see Recommendation 12: Revise the Tax Code to Incentivize Work and End Tax Policies That Benefit the Wealthy).
4. Reduce health care costs in a way that both protects the quality of care and allows for continued improvements in the quality of care. Means toward this end could include pushing back against industry consolidation at the state and national levels (see Recommendation 11: Deconcentrate Economic Power), as well as a greater emphasis on a combination of private incentives with government regulation. An especially important approach is regulation requiring

more meaningful price transparency as a means of disciplining cost growth. Lighter regulation on some components of insurance plans and an increase in the use of high-deductible plans and health savings accounts—consistent with risk-sharing and adequate financial protection—could also lead to more innovative insurance designs and lower costs.

Childcare

Affordable, accessible childcare is vital for parents' consistent labor market participation, particularly mothers'. From February 2020 to January 2022, nearly two million women left the workforce, many to assume childcare responsibilities during the pandemic.[56]

To ensure access to affordable childcare, we propose a mix of providers and services. For noninfant children (that is, preschool and older), broadening the reach of public education and ensuring after-school alternatives would build on existing institutions to provide important assistance to families. For younger children, however, some mix of expanded public benefits and subsidies and encouragement of increases in the supply of high-quality affordable care will be necessary. Such policies should also aim to remedy the shortage of childcare workers, which appears to be due at least in part to the low pay of these positions (less than half of the national median income in 2022).[57] Because many low-income parents work on evenings and weekends, policies to increase access to childcare cannot solely rely on the commercial sector and must recognize that many parents use informal care

Ford Field Park, Dearborn, Michigan.

> "I feel like as a single mom . . . paying for childcare pretty much defeats the purpose of going to work."
>
> — Anonymous, Kentucky

networks. The fundamental principle is that parents should not be so burdened by child-care costs that they do not feel they have the opportunity to combine paid employment and child-raising.

RECOMMENDATION 4

Expand Access to Low-Cost Banking for Low-Income Americans

Access to secure and affordable banking services is fundamental for economic well-being in the twenty-first-century United States. Banks ensure that people receive the full amount they are owed from their pay-checks and provide regulated home and small-business lending. As important, the ability to save and build wealth confidently fosters trust in the financial system.

For millions of Americans, traditional banking options remain inaccessible. The latest Federal Deposit Insurance Corporation (FDIC) national survey found that approximately 5.9 million households were unbanked. Another 18.7 million households were underbanked or used nontraditional banking methods. Unbanked and underbanked rates are higher among low-income and minority households.[58]

Surveys reveal that the main reasons the unbanked and underbanked give for not having a bank account involve affordability and trust. Many unbanked and underbanked people do not perceive banks as trustworthy institutions. These misgivings arise in part from a history of discriminatory practices and policies within the financial services industry. From historical redlining to current experiences with racial profiling, discriminatory measures have eroded faith in the banking system in minority communities. Structural barriers within the system have also disproportionately affected low-income Americans of all races. Most major commercial banks require minimum balances to open an account. Large banks also charge high, automatic fees to those who over-extend their deposits. These measures effectively keep poor Americans from using mainstream banking services or make it expensive or difficult for them to do so.

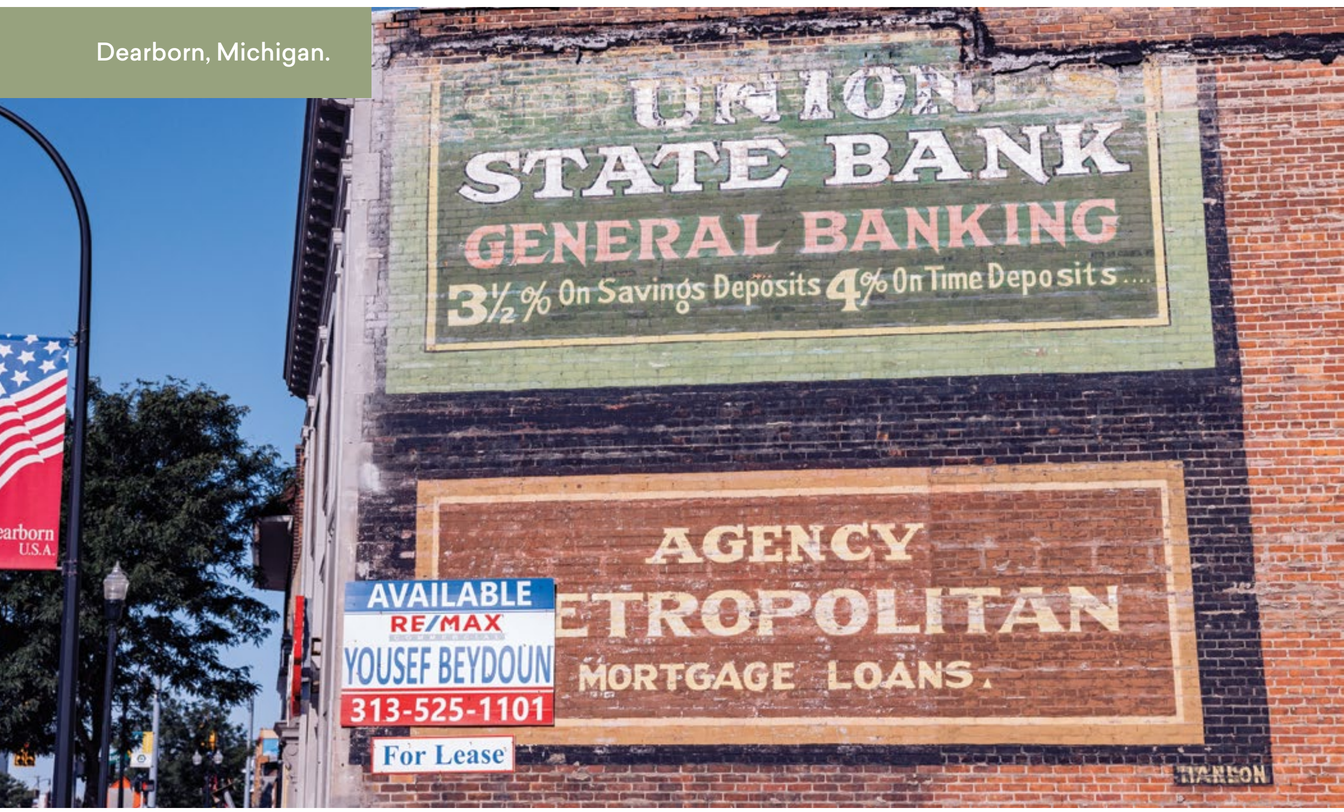
Geography plays a major role in determining banking access. Since the Great Recession of 2008, over thirteen thousand local bank branches have closed. This trend is in part due to consolidations and mergers in the banking industry. In the aftermath of the Great Recession, big banks came to dominate the financial market. They acquired smaller banks and removed branches from local communities.[59] Across the country, twenty-six counties have no banks, and six hundred counties have no local banks. For communities in rural America or Indian Country that already had few physical bank locations, these closures have created banking deserts. The absence of bank branches makes it more difficult for people to get basic financial services. While digital banking options and mobile app services like Venmo and Cash App have greatly expanded in recent years, studies show that brick-and-mortar bank branches remain essential in areas where many people lack financial resources and internet access.[60]

In the absence of traditional banks, Americans often turn to more expensive and less regulated options, such as check-cashing stores or payday lenders. Low-income Americans pay almost $10 billion in check-cashing and payday-loan fees every year. The high fees and interest rates of these banking alternatives have damaging financial consequences, inhibiting customers from building credit and from being able to set aside savings for emergencies. To tamp down on these predatory financial schemes, states should mandate transparency from lending institutions by requiring them to publish the average costs of different loans. Credit card lenders, too, should be required to post the information customers need to make informed decisions about borrowing.

The Commission recommends other measures so that low-income Americans would not need to turn to alternative lending institutions in the first place. Commercial banks should be required to offer low-cost bank accounts, which would provide more Americans with affordable banking options. Traditionally, mainstream banks have not been incentivized to attract low-income customers, since they are not seen as profitable. If banks are unwilling to serve these customers, government could consider modest credits to encourage them to do so.

Changing federal regulations to enable and encourage commercial banks to offer small

Dearborn, Michigan.



> "I'm 34 and I'm just now learning about credit about two years ago. . . . We need to be taught how to do things, like open up a bank account [and the] basic essentials to set us up for a better future for ourselves and our children. Because a lot of people don't even know how to open up a bank account. They think that they can't."
>
> — Whitney, Waitress and Cosmetologist, Kentucky

credit sums, repayable in installments, would also allow Americans to obtain necessary short-term loans through traditional banking services. Additionally, just as navigators have proven to be effective at connecting Americans with benefit programs (see Recommendation 1: Redesign Safety Nets to Ensure Stability), similar assistance can be used to help individuals navigate different banking options and provide mechanisms to foster financial literacy. Connecting navigators with unbanked and underbanked populations would not only help to improve financial health within underserved communities but would also create more trust in the banking system.[61]

One of the most promising ways to create a more inclusive banking environment is to increase the number of community financial institutions. Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), and local credit unions have proved effective at reaching unbanked populations. MDIs and CDFIs are often mission-driven, designed to reach minority and low-income communities left out by the traditional banking industry. Because of this mission, community banks can overcome trust barriers and customize their services to meet the needs of their clients. MDIs have been able to increase credit access in majority Black neighborhoods, providing clients with deposit services as well as residential mortgage and business loans. CDFIs have increased financial health in Indian Country, and one recent report found that credit scores are higher for Native Americans in areas with CDFIs.[62]

CDFIs and regional development banks are also beneficial for small businesses. In banking deserts, it is difficult for small businesses to access credit, and they often have to turn to higher-cost private credit options. CDFIs help connect small businesses with more affordable credit choices and allow them to maintain or expand their operations in local communities.[63]

There are currently 146 MDIs that reach six hundred majority-minority communities nationwide and three hundred CDFIs that serve primarily low-income markets. The Commission recommends expanding the number of MDIs and CDFIs throughout the country. This expansion will require increased funding and investment, as well as changes in banking regulations. Current federal rules prevent community banks from accessing the public capital markets that larger banks use. Easing these regulations would facilitate the expansion of the institutions that best serve people not being reached by commercial banks. Funding and promoting community banking services will stimulate business growth in underserved areas and increase the financial health of low-income and minority Americans.[64]

“What contributes to economic well-being?
I would say it’s stability. I mean, when we look at
the wealthiest class in American society, it’s not that they
have some intrinsic component to who they are that allows
them to succeed. It’s the fact that they can fail and still
continue to survive and try other initiatives.”

— Dave, Head of Native American Community
Development Organization, New Mexico

“My first job was working in the fields. . . . My family, in order to make ends meet as soon as we got out of school in May, we dedicated all our entire summers to work, gather some monies. . . . All that hard work, even if we didn’t like it, we learned so much. We made the best that we could in those hard times. . . . And those memories instilled in me personally, determination, perseverance, [and the] value of hard work.”

— Ileana, Teacher, Texas

Super Burger in
Porterville, California.

Section 2: *Opportunity and Mobility*

Our next core values for a reimagined economy are opportunity and mobility. By opportunity, we mean pathways for people to achieve better lives. Mobility refers to the actual outcomes—improvements in income and wealth, especially—achieved by taking advantage of opportunity. Both enable people to hope, aspire, and look forward to the future. Both are essential elements of well-being.

Built into America's reputation as a land of opportunity is the promise that, by working hard, people have a realistic chance to better their circumstances. But for centuries, non-white Americans were systematically locked out of this promise. Today, many Americans, from a variety of backgrounds, also feel that their hard work is not paying off. We heard in our listening sessions that many people cannot access the affordable, high-quality education needed to enhance their skills and their job prospects. In some parts of the country, they feel that all the good jobs have disappeared, and they worry that their communities will continue to miss out on technological and economic progress. And many people face obstacles to employment on account of their criminal backgrounds, immigration status, or seemingly arbitrary government regulations.

The recommendations in this section aim to remove barriers to opportunity and to strengthen avenues for mobility. Some of the ideas are focused on education: working to expand educational benefits in places where they have been denied and to strengthen education-to-career pathways. Others seek to eliminate obstacles in the labor market with the goal of providing more Americans with access to meaningful and sustainable work. Still other recommendations focus on parts of the country that have been left behind, with proposals to provide people and communities with the tools and resources they need to succeed in a technology-based economy. By enabling access to opportunity and mobility, the Commission believes the country will be better positioned to live up to its reputation as a place where hard work and determination can lead to growth, fulfillment, and a better life.

RECOMMENDATION 5

Remove Regulations Preventing People from Participating in the Labor Market

In the United States today, too many people face barriers that keep them out of jobs they could do well if given the chance. These barriers are often regulatory: employment laws or requirements that are cumbersome, outdated, or unnecessary. Some are also anticompetitive, unfairly constraining opportunities for new entrants or job changers while advantaging incumbent workers. The Commission has identified five such regulations that it recommends reforming or removing. Doing so would help create a fairer economy by allowing workers to be considered for an array of new jobs that would increase their chances for higher wages, economic security, and upward mobility.

Reform Occupational Licensing

Occupational licenses are required for employment in many professions, from beauticians and real estate agents to school bus drivers and security guards. Nationwide, roughly one-quarter of all jobs require a license of some kind.[65] Such requirements are meant to ensure that professionals are trained in their fields and to protect the well-being of consumers. But these requirements have disadvantages. Licensing erects barriers to job entry, hampers interstate mobility, reduces the supply of professionals in licensed fields, increases prices, and reduces access for consumers. It also negatively affects economic growth.[66] States should reexamine their licensing requirements and repeal those for professions that do not affect health or safety. States should also enter interstate compacts to recognize licenses from other states.

Barber in Dearborn, Michigan. The Institute for Justice found Michigan to have among the nation's most burdensome processes for receiving barber certification.

Eliminate Employment and Licensing Restrictions on Individuals with Felony Convictions Not Strictly Required for Public Safety ("Ban the Box")

More than seventy million American adults have a criminal record of some kind. Unfortunately, those who have paid their debt to society often find that their record serves as a barrier when they are seeking work. State licensing laws can permit overly broad criminal record inquiries, include blanket bans excluding qualified candidates with records, and encourage a lack of transparency in the licensure decision-making process.

A promising solution that has already been embraced in many parts of the country is to "Ban the Box": removing from job applications the question asking whether the applicant has ever been convicted of a crime. This gives applicants with criminal histories a fairer chance by delaying questions about their criminal history until later in the hiring process—or removing them altogether. Hiring managers are more likely to form favorable impressions of job seekers and to consider giving them a chance if negative stereotypes are held at bay.

Since Hawai'i became the first state to Ban the Box in 1998, a great deal of progress has been made on this issue. As of 2021, thirty-seven states and Washington, D.C., and one hundred fifty cities and counties had adopted this policy for public-sector employment, while fifteen states and twenty-two cities and counties have done so for private-sector employment as well. Eighteen states prohibit blanket bans that deny licenses for any conviction or are based on vague and difficult-to-enforce "good moral character" provisions. In 2019, Congress adopted a Ban the Box approach for federal employees and contractors.[67]

Nonetheless, some states have not banned the box for either public- or private-sector employment, which makes it harder for job seekers with records to get jobs, take care of themselves and their families, and contribute to society through work. We urge that Ban the Box be extended to more states and municipalities and that states and private-sector employers take affirmative steps to incorporate returning citizens into the labor market.

CASE STUDY

Reforming Occupational Licensing in Arizona

In 2019, Arizona became the first state to adopt universal recognition of occupational licenses. By passing licensing reform legislation, the state legislature and Governor Doug Ducey sought to remove obstacles to work, promote economic growth, and encourage new residents to move to Arizona.

While there has been relative bipartisan support in recent years for occupational licensing reform, states have often run into barriers when trying to enact changes to the system. Industry-based interest groups and professional associations, which benefit from the current licensing apparatus, tend to be politically organized and powerful enough to block licensing reforms. This is particularly true when reformers have sought to change licensing for individual professions, like nursing. By pursuing a universal approach, Arizona was able to avoid the mobilization of profession-based groups and pass a bipartisan piece of reform legislation.[68]

In doing so, Arizona became a model for states seeking to streamline licensure pathways for new residents. Workers are granted licenses in Arizona if they already hold an occupational license from another state and have been practicing in good standing there for at least one year. These workers also are not required to redo training or other prerequisites. The law has enabled Arizona's licensing boards to expedite the approval of licenses held in other states, making it easier for new residents to start gainful employment soon after their move.[69] Since the passage of Arizona's model law, seventeen other states have adopted a version of universal occupational licensing reform.[70]

The implementation of universal occupational licensing has enabled over 6,500 professionals from diverse fields to obtain licenses to work in Arizona. The Arizona Registrar of Contractors (ROC), the body responsible for licensing construction workers like builders, electricians, and plumbers, stands out as the most successful entity in executing the law. Between 2019 and 2023, the ROC has approved 2,277 license applications under the universal recognition law. Recent analysis predicts substantial benefits to the state's economy from universal licensing, projecting a $1.5 billion boost to the state's GDP, the addition of sixteen thousand jobs, and the arrival of almost forty-four thousand new state residents by 2030.[71]

The success of Arizona's law illustrates the impact occupational licensing reform can have for workers and for states. However, this measure to make occupational licenses portable between states is just one step toward reducing the employment barriers caused by licensing requirements. Arizona's model primarily aids those relocating to the state. It is essential also to focus on abolishing all unnecessary licensing to expand employment opportunities for all Arizonans.

Ease The Transfer of Professional Credentials Earned Overseas

When immigrants, asylum-seekers, and refugees have completed credentialing processes in their countries of origin, it should be easier for them to transfer those skills to the American labor market. Unfortunately, because of a lack of credential portability, many of them take jobs that do not require a degree or for which they are overqualified, a phenomenon the Migration Policy Institute (MPI) has dubbed "brain waste." MPI estimates that 2.1 million college-educated immigrants are underemployed, meaning they are unemployed or do not hold jobs commensurate with their skills and education. As of 2016, these immigrants lost out on nearly $40 billion in wages, and federal, state, and local governments were deprived of $10 billion in tax revenue.[72] Not only is this situation unfair and burdensome, but it exacerbates talent shortages in fields that face chronic shortfalls, such as health care.

Some states have enacted promising immigrant-focused initiatives that deserve to be studied and possibly copied in other states. Minnesota created a program to certify foreign health care professionals, Maryland launched a similar health apprenticeship program, and Rhode Island and Michigan have created initiatives covering a wide variety of professions.[73] The Commission endorses such processes to ease license transfers for workers who were trained outside of the United States, many of whom would also be helped by general occupational licensing reforms.

Eliminate Unnecessary Degree-Requirement Qualifications

The Commission urges the evaluation of job candidates based on skills rather than credentials. In particular, we endorse the elimination of the unnecessary college degree requirements that are attached to many jobs. Blanket credentialism—marked by an overreliance on degrees, transcripts, and test scores—prevents many motivated workers from competing for jobs that they can do well and that would offer them the chance to earn higher wages.

College credential reform is feasible because it has become significantly more common in recent years as a response to tight labor

"We have people who come here as writers, as doctors, as nurses, as engineers, as teachers. And they're told when they walk through the door that, 'Great, here are your options. You can go to Walmart. . . . You could go work for Amazon.' What they never ask them is, what do you want to learn? How do you want to transfer your credentials? Where are you on your journey of education and enrichment as a person?"

— Joseph, Afghan American, Lawyer, California markets. By one estimate, 34 percent of companies removed college degree requirements from at least some jobs during 2022.[74] Other companies are going further. Eighty firms are taking part in the Business Roundtable's Multiple Pathways Initiative, through which companies are rewriting job descriptions to focus on skills, reviewing interview mechanisms, and developing clear job advancement pathways through specific training milestones and skill acquisitions. IBM, for example, announced it would no longer require a college degree for more than half of its job openings in the United States. The company's New Collar Jobs program trains and hires individuals with experience, aptitude for learning, and relevant skills, regardless of their educational background.[75] The Commission believes the private sector can continue to lead the way in showing that human capital comes in many forms.

Some states, including Pennsylvania, Utah, North Carolina, Maryland, Alaska, and Colorado, have also begun removing degree requirements for public-sector employment.[76] The Commission endorses this trend, except in circumstances in which evidence shows that credentials have beneficial outcomes. In public education, for example, research suggests that credentialed teachers have a greater impact on student performance than those who are not credentialed.[77]

End Noncompete and No-Poaching Agreements

Noncompete agreements prevent workers at a company from working for or starting a competing business. These types of agreements—which employees are at times required to sign as a condition of employment—deprive workers of bargaining power, contribute to weak wage growth, and lead to declining dynamism in the labor market and the innovation ecosystem. In 2023, the Federal Trade Commission proposed a rule banning noncompete agreements, which it estimates could increase wages by nearly $300 billion per year and expand career opportunities for about thirty million Americans.[78] Three states and the District of Columbia have banned noncompete agreements entirely, and nine additional states prohibit them for workers earning below a certain threshold. More states should ban or limit their use, particularly for lower-income and nonsalaried workers.

No-poaching agreements are contracts or informal agreements between businesses not to offer jobs to employees of other businesses. Examples include clauses in franchise contracts whereby franchisees agree not to offer jobs to same-brand franchise employees in the local labor market. Other examples are contracts between temporary staffing agencies and the companies to whom the agencies contract out their workers, in which companies promise not to offer permanent employment to any worker originally sent by the agency. Many temporary workers hope to attract a job offer from employers by accepting a temporary contract to work for them, unaware that a business-to-business contract to which they are not a party makes this impossible. Temp agencies should not be permitted to constrain the prospects of workers who seek permanent employment. No-poaching agreements also shape hiring practices of competing firms, who are willing to sacrifice their own ability to hire from their competition in order to retain more of their own workers and suppress wages. No-poaching agreements represent unfair collusive restraints that reduce workers' opportunities.

RECOMMENDATION 6

Bolster Worker Training and Education Pathways through Private-Sector Upskilling and a Strengthened Community College System

More workers should have opportunities for better careers, higher wages, and better lives. One way to create opportunity is to remove barriers to labor market participation (see Recommendation 5: Remove Regulations Preventing People from Participating in the Labor Market). Another is to increase opportunities for education and training.

The education system is responsible for training the next generation of workers for market participation and for democratic citizenship. In addition to K–12 schooling, this system includes a network of two- and four-year colleges, vocational education programs, and training by employers. In the second half of the twentieth century and the early twenty-first century, gains in four-year college degree attainment were particularly pronounced. The Commission respects and celebrates what universities contribute to the training of the nation's workforce and the preparation of the nation's citizenry for self-governance. As the costs of attendance continue to rise, we believe more needs to be done to make these institutions accessible for middle- and low-income students.

While the nation should offer a broad range of post–high school options suited to the objectives and needs of individual learners, the Commission has opted to focus on private-sector upskilling and partnerships with community colleges.[79] Although many high school graduates go on to earn a four-year college degree, well more than half of young adults today do not, including roughly three-quarters of Black and Latino young people and almost 90 percent of Native American youth.[80] Policymakers, postsecondary administrators, and the private sector should focus on expanding pathways to opportunity and mobility that do not include four-year college. In particular, the Commission endorses the current trend of companies investing in training for their employees and adopting partnerships with community colleges.

Providing better opportunities for workers is not just a matter of increasing firms' earning potential or workers' wages. Creating realistic pathways to better jobs is central to preserving faith in the nation's political and economic system.[81] Many workers—especially those without a post–high school degree or in communities left out of the wealth generated by new technologies—are angry or frustrated with a perceived lack of opportunities. Some have dropped out of the workforce entirely.[82] Training and post–high school education offer a path back into the labor market for those who have dropped out. They provide a road to better opportunities for those who feel stuck. And they can increase the potential of a new generation of workers seeking a career path.

Private-Sector Upskilling

The private sector has a role to play in facilitating pathways to higher-paying jobs for low- and middle-income workers. Employer contributions to training programs, tuition subsidies, and other educational benefits have increased in recent decades, amounting to as much as $177 billion spent on formal training and $28 billion on tuition benefits per year, as of 2015.[83] Nonetheless, many employers do

Erin, Connor, and Nathan, first-year students at Pennsylvania College of Technology (Penn College), practice removing and reinstalling an airplane engine for their degree in aviation maintenance technology, in Montoursville, Pennsylvania. Penn College's program is informally considered a feeder program for employment for regional aviation companies.

not contribute sufficiently to upskilling their employees. More should do so.

The benefits to workers from upskilling programs can be substantial. A 2021 study of Walmart's Live Better U—through which the company pays tuition and expenses for employees pursuing higher education—found that workers who completed the program were almost twice as likely to be promoted. Another 2021 study found that those who participated in an upskilling program were more satisfied with their pay, their job security, their health and safety on the job, the predictability of their hours, and other aspects of their work life.[84]

Many workers cannot afford to pay for their own education and training, or to miss a significant number of work hours to complete an upskilling program. One limitation of current programs is that many firms expect employees to advance their education on their own time or out of their own pockets—or, if the firms pay for training upfront, they use this investment to keep workers in their current positions, requiring workers to repay training costs if they quit.[85]

Companies themselves stand to benefit from investments in workers' education. A study of health care provider Cigna's 2012–2014 tuition reimbursement program found that participants were more likely to stay with the company. As a result, for every $1 the company invested in the program, it saved $1.29 in costs associated with hiring and talent management—an amount that does not even include the tax deduction the company took for reimbursing employee tuition.[86] At Walmart, even if they did not complete the program, Live Better U participants were less likely to leave the company, and they saw a 10 percentage point increase in their performance ratings. These trends were generally consistent across gender and racial groups. The programs also help attract talent: one-quarter of applicants to hourly roles with the Walt Disney Company cited the company's upskilling program, Disney Aspire, as their primary reason for applying.[87]

One concern about upskilling programs is that workers' training will be firm-specific and will effectively lock them into their current employment. But the training and education that companies provide are generally transferable. As a result, employers may fear that they cannot afford to provide training or education if participants use their new credentials to get jobs with different firms. However, in a 2022 study in which two-thirds of workers said they wanted a new role, over half hoped it would be at their current company, suggesting that many workers seeking upskilling want to employ their new skills and expand their earnings and potential with their current employer.[88] Instead of worrying whether they can provide training, employers should ask themselves if they can afford *not* to. And if firms prove unwilling to provide these benefits to workers, the nonprofit sector should help workers attain the skills that will help them secure better-paying and more rewarding work.

The Commission also urges companies to invest in the civic lives of their employees: providing paid time off not only to vote and serve on juries, but also to volunteer in their communities. While the Commission supports encouraging greater participation in civic and individual life made possible by employers, we do not endorse any arrangement in which employers activate workers' political voice for a specific candidate or partisan cause.

Ultimately what is good for workers can be good for business, for the economy, and for American society. The Commission encourages employers to compete with one another to provide the best pathways to good jobs and better lives for their employees.

Community College Pathways

Community colleges are the main public infrastructure in the United States for connecting high school graduates who need opportunities to the new roles created by today's fast-changing economy. There are currently 1,383 community colleges in the United States, with a total enrollment of 8.9 million students, almost 60 percent of whom are women.[89] Half of all Latino and Native American students and 40 percent of Black students in the higher education system are enrolled at a community college. Thirty percent of community college students are the first member of their family to pursue postsecondary education.[90]

Compared with students at four-year institutions, community college students have significantly lower completion rates, higher rates of loan default, and significantly lower average income ten years post entry.[91] These trends help explain why, between 2012 and 2022, enrollment at two-year public institutions declined by 33 percent, or 2.2 million students.[92] Other reasons account for this drop as well, particularly the COVID-19 pandemic. Current and former community college students have also noted the unclear pathways to graduation and the difficulties in transferring credits to four-year institutions. Roughly 30 percent of

Lenis, twenty-five years old, started to learn how to code during the pandemic. In 2017, she experienced homelessness, fell into postpartum depression, and was unable to work for two years. Living paycheck to paycheck, she was working two jobs when she found out about a coding program based in California's Central Valley that helps support marginalized communities. She was awarded a one-year apprenticeship that will prepare her for a career as a web developer.

community college students transfer to four-year institutions but, as of 2014, almost 40 percent of students were not able to transfer a single credit to their new school.[93] In addition to difficulty transferring credits, community college students also face nonacademic responsibilities that serve as barriers to graduation: 66 percent of community college students attend school part time, 16 percent are single parents, and two-thirds have jobs. One-third work full time while in school.[94]

The Commission believes private-sector firms should provide more apprenticeship programs for community college students to enhance the ability of these institutions to advance the mobility of their students. In 2022, plumbers, electricians, nurses, and iron and steel workers all averaged above the mean national income. All these are jobs done by community college graduates, and many of them currently face national shortages and will be increasingly in demand as the nation addresses the ongoing effects of climate change.[95] Partnerships between local employers and community colleges represent meaningful opportunities for paid experiential learning, firm- or field-specific training, and concrete pathways to these types of good jobs. When firms do not have the capacity to create these partnerships, community colleges should endeavor to identify possible firms with which to collaborate. For example, Ivy Tech Community College in South Bend, Indiana, partnered with Beacon Hospital System to establish the Beacon Scholar Program to combat local nursing shortages. The program funds tuition, books, and living expenses for seventy-five students, with a guaranteed placement at Beacon Health upon graduation.[96] The Commission supports scaling up partnerships like these: finding new ways to connect community colleges to local employers and increasing the colleges' capacity to train more students. Expanding partnerships is especially fruitful because doing so would be simpler than creating a new, separate apprenticeship and training program for workers who decide not to pursue a four-year degree.

The Commission also encourages community colleges to provide more resources to help students overcome obstacles to graduation, including emergency financial aid, transportation assistance, and counseling and mental health services. Though potentially costly and requiring additional funding from the private sector, nonprofits, and federal, state, and local governments—which provide over half of community colleges' funding—these programs are vital for student success. Institutions should also offer information to students about how to access childcare and other types of social support. A growing trend on community college campuses is the creation of student services offices. Such offices need more resources, and community colleges should incorporate them prominently into student orientation. Ideally, institutions should create one-stop offices that provide both academic and social services. More generally, community colleges should examine their curriculum pathways and advising services to ensure that students have clear, accessible routes to their next step, whether it is a transfer to a four-year institution or a career. Community colleges should check in with students frequently to ensure they are on track for their desired path.

Reforming community colleges in these ways would help these vital institutions better serve as engines of upward mobility. The further adoption of private-sector partnerships and reforms to student services will help students, especially those from historically marginalized backgrounds, as well as businesses and the economy.

RECOMMENDATION 7

Extend to Black World War II Veterans and Their Descendants the Housing and Education Benefits They Were Denied under the 1944 GI Bill

When white and Black servicemembers returned from the European and Pacific theaters at the end of World War II, they came home to two starkly different Americas. Jim Crow reigned supreme in much of the country, and even outside the South, racial discrimination was routine in policing, housing, employment, education, and other areas of American life. These circumstances had dramatic consequences for the returning GIs, whose economic fortunes diverged dramatically along lines of race. The 1944 GI Bill provided veterans with college tuition assistance, housing assistance, employment benefits, and access to capital to start businesses or purchase homes. Crucially, however, the benefits were administered at the state level, where segregation put Black veterans at a discriminatory disadvantage.

As a result, especially in the South, Black GIs were systemically and intentionally excluded from the programs that helped build the mid-century middle class. While 1.2 million Black troops fought in World War II (8 percent of the total armed forces), very few Black veterans of that era were able to obtain GI benefits.[97]

It is time to repay these veterans and their families for their service. The GI Bill served as a springboard that helped white veterans and their families accumulate wealth, which they

> "The fastest way to secure economic stability in this country is through home ownership. So [Black Americans] could fight for this country, go to World War II like my family members did, get a GI Bill and you can go to school with it, but because of redlining, which was coupled with FHA loans, we couldn't buy homes in communities that were appreciating. And so that was very systemic, very subtle, but that was designed to give a group of people a real head start. We have to acknowledge that."
>
> — Alex, Pastor and African American Community Leader, Wisconsin

passed on to successive generations. Black veterans, and thereby their descendants today, did not receive equivalent benefits. One study found that Black veterans received only 40 percent of the benefits white veterans received.[98] Many white veterans used their benefits to purchase suburban homes that functioned as solid investments and enabled them to pass wealth on to their descendants. African American veterans who fought fascism abroad and faced discrimination at home were often unable to access housing assistance at all. And when they were able to secure home loans, redlining often confined those Black veterans to less well-off neighborhoods, where their homes did not grow in value nearly as much over time. Additionally, while white GIs could get professional and educational credentials that secured their place in the growing white-collar economy, many Black veterans were not able to access these opportunities. Those who were able to utilize their benefits were pushed into Historically Black Colleges and Universities, which provided important opportunities but, in many cases, did not have professional schools. Moreover, veterans' educational benefits were often used for training in the segregated trades—strictly off-limits to Black Americans. As a result, Black GIs did not have the same opportunities as whites to become doctors, lawyers, or trade workers such as electricians, builders, and plumbers.

This exclusion has had lasting effects. GI Bill benefits from service in World War II led to an annual average increase in income of $16,000 for white veterans but had no effect for Black veterans. By 1993, the wealth gap between Black and white World War II veterans ($101,850) was double the gap between Black and white non-veterans ($50,100). Some families still benefit from the compounded interest of the government beneficence from eighty years ago; others have seen very little if any benefit.[99]

The Commission recommends extending to surviving Black World War II veterans and their direct descendants the housing and education benefits denied under the 1944 GI Bill. Veterans and their descendants could get access to the VA Loan Guaranty Program, as well as post-9/11 GI Bill educational assistance provisions, which grant financial assistance for school and job training. This recommendation is consistent with how veterans' benefits are commonly extended today (that is, to veterans and their descendants). The Commission also supports further inquiry into racial and gender inequities in the distribution of benefits among contemporary veterans.

The Commission recognizes the commendable role that the U.S. military has played in accelerating economic opportunity and equal opportunity within its ranks and across American society. The GI Bill in 1944 expanded the middle class. Four years later, President Truman's executive order desegregating the military helped pave the way for the Supreme Court to declare segregation in America's schools unconstitutional in 1954.[100] America's armed services have set the pace for turning the nation into a multiracial democracy. By implementing the Commission's recommendation and extending benefits long denied to Black veterans and their families, the nation could fulfill the original promise of the GI Bill: a repayment of military service with meaningful opportunity for economic advancement. Extending these benefits to Black World War II veterans and their descendants would rectify a highly consequential racial injustice, address current and ongoing economic disparities, and improve the lives and livelihoods of Black veterans and their families.

RECOMMENDATION 8

Expand Broadband Connectivity for Rural, Tribal, and Underserved Urban Areas

Access to high-quality, affordable broadband is a necessity for participation in the nation's economy and democracy. The internet is how Americans buy and sell things, apply for jobs and rental housing, and get medical care, school assignments, news, and other essential resources. It is also where people engage in the political process, sharing their personal views, interacting with elected officials, and shaping the nation's democratic culture. While broadband access does not guarantee the vitality of a community, the lack of it guarantees substandard outcomes across all measures, from health and education to civic participation and economic opportunity.

According to the National Broadband Map, an estimated 42.8 million Americans lack broadband access entirely—most of them in rural, tribal, and underserved urban areas.[101] Access to broadband is vital to the economic health of these communities. Recent studies have found that the availability of broadband increases the market value of rural homes and raises the likelihood of business investment in rural areas. Increasing the availability of reliable broadband provides an avenue for spreading opportunity into communities where economic progress has stalled over the last few decades.[102]

New funding from the federal government promises to end the digital divide in the United States once and for all by allocating more than $42 billion to expand internet access to areas without it and to increase the reliability and speed of the internet in places that need it the most.[103] Yet even with this new infusion of funding, millions of Americans will still face barriers to achieving high-quality, affordable service due to ongoing flaws with how broadband access is measured and how the broadband market is structured.

In particular, determinations about broadband availability are based on Federal Communications Commission (FCC) maps that do not accurately reflect the scope of the digital divide. Most of the FCC's data are reported by providers rather than consumers. The FCC

> "By the time we figure out how to be successful in this economy, which is hard enough, a whole humongous segment of the rest of the economy is someplace else. And I'm not sure how we ever catch up if we don't even have internet. . . . When I went to visit my family in Oklahoma as a teenager, he had an outhouse, and that was such a foreign concept. None of us can imagine in Chicago, using an outhouse, but not having internet is the equivalent of still using an outhouse."
>
> — Ghian, Nonprofit President and CEO, Illinois

allows states and local communities to submit challenges to the current map, but even that process requires an internet connection.[104] And it is unlikely that maps will be updated before allocations of federal broadband funding are made. The Commission recommends that the FCC continuously revisit broadband maps and solicit public feedback on the data and its data collection methods.

In 2017, the FCC eliminated the Title II classification of the internet, which had made high-speed internet service a public utility. This change resulted in the repeal of net neutrality rules that had required internet providers to offer equal access to all online information without additional cost. The rollback of net neutrality has allowed internet providers to prioritize, slow down, charge additional fees for, or even block the flow of internet content. Coupled with the lack of competition among internet service providers, broadband companies can artificially drive-up prices for access to different services.

The FCC is directed by five commissioners who have significant sway over how Americans communicate and receive information. At the time of this writing and since 2021, the FCC has been missing a fifth commissioner and has therefore been unable to vote on key issues like net neutrality. The result is that individual households and small business owners often pay higher prices for internet access based on where they live. This makes affordability a significant barrier to broadband for many Americans, especially in rural areas and on tribal lands. Pandemic-era broadband subsidy programs like the FCC's Affordable Connectivity Program made a major difference but are due to sunset in 2024.[105]

To address the market structures that affect affordability, the Commission recommends the following:

- Restore the FCC to its full complement of commissioners and maintain this full complement so it can address issues that affect consumers, particularly members of marginalized populations.
- Make permanent the pandemic-era broadband benefit programs for low-income families.
- Restore net neutrality rules so that small rural and tribal businesses can compete in the marketplace.

- Increase competition among internet service providers by removing state policy barriers to municipal and small internet service providers.

Finally, while billions of dollars are designated for broadband adoption and affordability, there is little funding devoted to digital literacy projects in the United States. For economic development, job growth, educational opportunities, disability access, telehealth, and much more, the nation needs its communities to have broadband and its citizens to have digital skills. People do not just need access to the internet. They need to know how to use it. The Commission supports investments in digital inclusion programs to enable more Americans to take full advantage of these technologies.

RECOMMENDATION 9

Allow States or Municipalities to Sponsor Immigrants to Boost Their Economies (Community Partnership Visas)

The United States is a nation of immigrants, and it needs to remain one in order to compete economically. In addition to enhancing the nation's cultural diversity, immigrants create roughly one-quarter of new businesses and help address worker shortages, particularly in industries such as manufacturing, construction, agriculture, and health care. Immigrants spend an estimated $1.3 trillion every year and contribute $492 billion in local, state, and federal taxes.[106]

A Crown Castle telecommunications base station in Third Ward, Houston, Texas.

Meanwhile, for states, tribes, and municipalities in many parts of the country, the loss of prime-age workers has meant shortages in critical jobs as well as falling productivity, fewer start-ups, stagnant wages and real-estate prices, and strained local government finances.

To address these issues, the Commission recommends the creation of what we call a Community Partnership Visa (CPV). Our proposal would empower states, tribes, or municipalities to apply for immigration visas through the federal government—or to issue visas directly. Many of the specifics about the design of CPVs should be left up to the communities themselves. Each community, for instance, should determine the skill level of the immigrants it wants to invite. Some may see a need for highly skilled, highly educated workers, while others—aging communities, for example—might seek workers to bolster the elder-care workforce.[107]

The experience of Ohio—a state with many declining-population counties and communities—shows that the idea has promise. Despite immigrants making up only 5.7 percent of the state's population, they constitute 12.9 percent of its science, technology, engineering, and mathematics workforce.[108] From 2000 to 2015, the number of immigrant entrepreneurs in the Great Lakes region grew by 120,000, while the rate of U.S.-born self-employed entrepreneurs actually declined.[109] Community Partnership Visas would allow Ohio and other states to request more immigrants to address the needs in their communities. In early 2023, Republican governors from Utah and Indiana advocated for state authority to sponsor immigrants in order to help fill job vacancies.[110]

The Commission encourages private-sector involvement in determining the specific character of each community's CPV. By collaborating with local or state governments, businesses grappling with labor shortages and skill gaps can invite new immigrants to bolster their workforce and the local economy.

An immigrant arriving on a CPV would be required to find and maintain a job in their host community. The Commission is not in favor of a program that would bring in temporary workers to be used for their labor and then removed from the community or the country; such arrangements relegate immigrant workers to second-class status and can result in exploitation.

Communities should be involved in determining many aspects of their particular visa programs. Some elements, though, should be decided at the federal level to protect recipients and to ensure that states and municipalities use the visas appropriately. In particular, further analysis is needed to determine some elements of the program, such as recipients' residency status, the visa's minimum timespan, whether family members should be included, and how to allay undue competition the program could generate for American-born workers. Additionally, federal oversight would help ensure that CPVs are not used to reduce the power of workers by artificially creating loose labor markets. Any state or municipality found to be misusing visas, or one that permits discrimination against immigrants, should face penalties, such as the loss of future visa allocations.

The CPV is not intended to reform or replace national immigration policy on its own. Rather, it represents a new tool through which communities in all corners of the country can address critical personnel shortfalls, promote business dynamism, and help maintain America's openness to immigrants.

An undergraduate at Wayne State University canvassing in Dearborn, Michigan. She works two jobs to support her studies, but feels it is important to also be politically engaged.

Section 3: *Democracy*

An essential value in a reimagined American economy is participatory constitutional democracy. For the Commission, democracy means more than just a system of government in which people elect their leaders. It means that people are empowered as citizens to influence the direction of their country and community. In an economy that uplifts democratic principles, citizens should have a voice in the halls of government where policies that shape the trajectory of the economy are decided. Democracy as an economic value also means people feel they have voice and influence in their workplaces.

When people feel that their economy and government are not structured to their benefit, but instead are built for a small subset of the population, they lose faith in the systems and institutions they should trust to meet their needs. This sentiment was reflected in the comments of many listening session participants who believe greed is the main force driving our economy today. They see greed in the way big corporations seem to prioritize profits over people. They also see greed in elected political leaders maintaining the status quo rather than advocating for changes that would benefit working people. These behaviors cause disillusionment and make people feel that their needs and voices matter little compared to the interests of a powerful few.

The Commission recognizes that the path to implementing many of its recommendations—both in this and in previous sections—lies in changing the shape, structure, or design of the nation's democratic institutions. Identifying the precise changes that need to be made to these institutions, however, is beyond the remit of our project. Instead, it is the focus of a previous Academy commission whose final report, *Our Common Purpose: Reinventing American Democracy for the 21st Century,* offers recommendations to empower voters, build more representative institutions, and heal the nation's fractious civic culture.[111]

The following proposals seek to rebuild trust in institutions by making them fairer and by addressing deficits in the nation's civic and economic culture. Some of these recommendations take on the problem of concentrated economic and political power directly. They call for making markets more competitive and making tax policy fairer to working people. Others are aimed at enhancing the voices and experiences of people not normally heard in the halls of government, including Native Americans and members of the working class. Another set of proposals seeks to restore our trust in and connection with each other by finding sustainable ways to fund local media outlets and community civic institutions.

RECOMMENDATION 10

Create a Training and Financing Program to Help Working-Class Americans Run for Political Office

Money has become almost equivalent to political voice in the United States. At the local, state, and federal levels, it has become difficult for candidates without significant campaign funds or personal wealth to run or get elected. Those with the largest war chests tend to win.[112] In 2010, the Supreme Court's *Citizens United v. Federal Elections Commission* decision enabled unlimited campaign expenditures by corporations, labor unions, and other associations, and has been construed to allow certain types of political action committees to raise unlimited and undisclosed donations, often from wealthy individuals.[113] So-called dark money is often spent on campaign advertisements, creating an influential and unaccountable force in modern elections.[114] In other words, money gives wealthy individuals and well-financed organizations more voice than other voters. This situation hampers the adoption of policies that reflect the concerns and needs of people from a wide range of economic backgrounds.

The current legal environment offers little prospect of regulating political spending by individuals or corporations (though these problems could be addressed through a constitutional amendment, as is recommended in

Our Common Purpose).[115] Our Commission recommends several complementary strategies for increasing the voice of a wider range of Americans in the political process at the federal, state, and local levels.

First, we recommend the creation of a training and financing program to help working-class Americans run for political office at all levels of government.

Almost every state and local elected official in the United States has a professional or white-collar background. In the early 2000s, just 2 percent of Congress and 9 percent of all of the nation's city council members were from a working-class occupation, compared to 54 percent of the public. As of 2022, only 6 percent of Congress—twenty-two members of the House and no members of the Senate—do not have at least a bachelor's degree. Compare this to the early 1960s, when nearly one-quarter of each chamber did not have a bachelor's degree.[116] A 2019 analysis found that only twelve members of either House of Congress had ever held blue-collar or service jobs.[117] The election of officials with diverse economic backgrounds has direct consequences for the public policies legislatures pursue. Members of Congress from white-collar or professional occupations are more likely to support policies that benefit businesses, wealthy constituents, and the financial sector, while state legislatures composed of a higher percentage of members from working-class backgrounds are more likely to fund social welfare programs.[118]

The scarcity of working-class elected officials is not due to their lack of appeal to constituents or lack of skill. Americans are not against electing working-class candidates. People with a college degree are not more effective legislators than those with less formal education. And working-class Americans feel fully qualified to run for political office.[119]

> "I think we need to find a way to make running for office something you don't have to sacrifice to do. . . . Why do we depend on wealthy people and why do they have all the power and persuasion? We've got to find a way that more [regular] people can run for office."
>
> — Chris, Newspaper Editor, Montana

Financial issues help explain the shortage of candidates from working-class backgrounds. The lack of financial resources to mount a campaign, the perils of incurring financial risk during an election, and unpreparedness for campaign activities like fundraising represent the main barriers to running for office. Working-class Americans without wealthy benefactors simply do not have the time or backing to spend months campaigning while not drawing a salary.[120]

Some of the commonly proposed policy reforms are insufficient to address this issue. Raising salaries for office holders will not help candidates take the time off work to campaign. This problem also cannot be solved entirely by public financing reforms like democracy voucher programs.[121]

Instead, we need new solutions specifically to address the challenges facing working people interested in running for office. The Commission recommends the creation of a nonprofit organization or political action committee devoted to offering financial support and free training programs for working-class people running for office. We recommend that this organization operate with a clear definition of *working class*, and that all potential candidates it works with commit to core democratic principles. The organization should be decidedly nonpartisan, willing to work with eligible candidates from either major political party, as well as those not affiliated with either party. Such training organizations already exist—for candidates committed to free enterprise/limited government ideology and prochoice Democratic women, for example—but not specifically for working-class candidates.[122]

The Commission also recommends additional ways of creating more opportunities for a wider range of Americans to run for political office, to make elected positions more representative, and to increase public trust in the political process:[123]

- Foundations, unions, and interest groups should offer seed money programs or political scholarships to help working-class individuals pay their personal expenses (including childcare, groceries, health care, rent/mortgages, and student loan payments) while running for office.[124]
    - Alternatively, organizations in some places may be able to offer fellowships that provide a salary to working-class candidates to communicate about their experience running for office and their suggestions for policy changes that would make it easier for other working-class candidates to do so.
- The federal government should pass legislation that would allow candidates to use campaign money for clearly defined and limited personal expenses, such as childcare and housing (with sufficient restrictions to prevent fraud and misuse).[125]
- The Federal Elections Commission (FEC) should increase awareness and acceptance of its 2002 ruling that candidates for Congress may use their campaign funds to pay themselves reasonable and limited salaries.[126]
- States and localities should allow campaign funds to be used for childcare.[127]
- All levels of government should pass laws encouraging or requiring businesses to allow people to return to their jobs after running for office.
- To provide support during the months before a person officially declares candidacy, the FEC should extend the period of time during which candidates can earn a salary from their campaigns.[128]

RECOMMENDATION 11

Deconcentrate Economic Power

The framers of the American democratic system, and of most other democratic political systems worldwide, made the separation of powers an essential design principle. This came from their awareness of the dangers inherent in overcentralized political power. In the early Republic, overcentralized economic power was not an evident danger, but when it became one after the Civil War, the country created laws and policies to limit the dangers posed by trusts and monopolies. These dangers were understood at the time as being mainly for businesses. The unfair practices of the biggest players, such as suppressing competition and innovation and overly concentrating economic power, forced smaller competitors into bankruptcy. The leading champion of the antitrust cause was Louis Brandeis, the future Supreme Court justice, who devoted much of his pre-judicial career to crusading against what he called "the curse of bigness."

As antitrust law and policy have developed over recent decades, the general suspicion of economic concentration lessened, and a different legal and policy standard came to the fore: consumer welfare. Protecting consumers is an important goal of antitrust. However, when consumer protection became the exclusive goal, antitrust law failed to stop companies that offer low-cost or free services to consumers from engaging in economic practices that stifle competition, reduce consumer choice, discourage innovation, and drive down employees' wages and benefits. In a system of underregulated political spending, concentrated economic power often converts itself into disproportionate political power. Economic concentration feeds inequities in the distribution of opportunity, individually and by region, class, ethnicity, and gender. It weakens trust in the system and in the idea of

Distribution centers in Tulare County, California.

the nation as a community. Dispersing economic power should be revived as a goal of economic policy.

Examples of the harmful effects of excessive concentration abound. In four states in 2019, a single health insurance provider controlled more than 90 percent of the market. This borderline monopoly restricts consumer choice and negatively affects prices.[129] More broadly, economists have found that as the standard measure of economic concentration rises, it depresses wages.[130] Increased concentration is also associated with lower levels of entrepreneurial activity and of labor mobility. Companies that serve as marketplaces for other companies' products impose onerous terms on their suppliers, who have no real choice but to accept them. Companies that offer a range of services can use a service that they dominate to steer customers to their other services, making it difficult for competitors to enter these markets. Companies that make their money from network effects buy up potential competitors so that they can be protected from meaningful economic challenges. Often, dominant tech companies offer highly compensated employment to the executives of acquired companies, and then assign them no work, thereby wasting talent and suppressing innovation. Companies that use gig workers instead of employees keep the advantages of employment—access to labor—while stripping away the rights for workers that usually accompany employment, like security, good benefits, and the right to negotiate collectively. These companies are behaving rationally in trying to take maximum advantage of the rules governing their behavior. For the situation to change, the rules have to change.

As ways to deconcentrate economic power, we offer these recommendations:

- The risks of concentrated economic power are most apparent when a single dominant seller of goods or a single dominant buyer of services has de facto control of a market, and abuses that control. Such companies should either be broken up or regulated in the manner of a public utility so they do not use their market power to impose special burdens on consumers or producers. It is especially important that companies owning dominant networks or platforms are not allowed to discriminate in pricing or availability among the companies using their services to reach consumers.
- The nation's major antitrust laws are well over one hundred years old. Most antitrust policy is made case by case through lawsuits and regulatory actions like government approval of mergers. As government agencies and judges review these cases, they should be especially wary of creating markets with monopoly or oligopoly structures. They should consider not only consumer welfare and overall economic efficiency, but also the effects of power-concentrating business activity on pay and working conditions, on the ability of competitors to enter markets, and on preserving a variety of economic options for all the players in an industry: workers, firms, and buyers.
- Economic actors who operate under the effective control of a single major company—gig workers, franchisees, vendors whose access to markets is substantially in the hands of a single company—should have enhanced legal rights. These would include the right to bargain collectively, the right to have full information about the conditions of their relationship with the major company, and the right to offer their work or their products freely to other companies.

RECOMMENDATION 12

Revise the Tax Code to Incentivize Work and End Tax Policies That Benefit the Wealthy

To find out who and what a society values, one need only look at its tax code. Which items are heavily taxed? Which activities are rewarded with credits or exemptions? Who pays the largest share of their income to keep the government going?

The American tax system does not reflect the values the Commission believes should be central to the political economy. We believe the tax code should, wherever possible, reward work. People who work full time should be able to support their families, and tax credits could help people who are struggling to do so. Also, those at the lower end of the income spectrum should not be asked to pay more into the system than they already do.[131]

Many of the biggest existing tax credits benefit the wealthy. Some of these credits are the result of people with resources lobbying persistently and expensively on behalf of their own economic interests. Others are based on the outdated perception that America is suffering from a shortage of investment capital that needs to be corrected through tax incentives. Credits that make the tax code unnecessarily regressive should be eliminated.

The Commission's call to end tax breaks for the rich is not just a matter of fiscal prudence. Making the tax code more progressive will help foster trust in the political and economic system as a whole. The perception that the rich do not pay their fair share nurtures discontent with a system that appears to be tilted by and for the wealthy few. Reducing unnecessary benefits to wealthy households and increasing fairness toward lower- and middle-income families can create a tax code that provides the funding the government needs while embodying the values that should sit at the heart of the economy.

The Commission recommends the following revisions to the tax code:

1. **Reward work by expanding the Earned Income Tax Credit** (EITC)

The Earned Income Tax Credit is a tax credit for low- to moderate-income households with employment income. Credit amounts vary based on income, household size, disability status, and other factors. The Commission supports making the EITC more generous,

> "[We should fix] our tax system . . . so that everyone pays their fair share and we're not really creating just tax breaks for the wealthy. And we can actually see that money get reinvested into our communities that need it. And really figure out how to live together instead of cheat one another out of the money that needs to be paid back."
>
> — Katie, Faith Leader, Arizona

"It's my whole life," Gregorio Rodriguez said about making bread. "I could spend all day in there." And he does. After Rodriquez's bakery in Poplar, California, burnt down, he started work at his nephew's bakery nearby, where he spends roughly sixteen hours a day, seven days a week.

particularly for lower-income adults without dependent children. We also support broadening the range of people eligible to receive it. Some ways to expand EITC eligibility include:

- Enacting a state-level EITC in the eighteen states that do not now have one.
- Increasing the income eligibility range.
- Expanding state EITCs to include those left out of the federal credit, particularly childless adults.
- Lowering the minimum eligibility age for the childless EITC to nineteen and increasing the maximum eligibility age for the childless EITC (currently only those aged between twenty-five and sixty-five are eligible).

In addition to expanding the EITC, another way to reward work through the tax code would be to lower the payroll tax rate for low- and middle-income workers.

2. End tax credits that benefit the wealthy

The Commission has identified a number of tax credits that disproportionately benefit those who need it least, all of which should be substantially reformed or eliminated.

- **The carried interest deduction:** Carried interest is a type of income earned by partners of hedge funds or private investment funds. Typically, it amounts to a proportional share of the fund's profits. For tax purposes, this income is treated as a capital gain and, as a result, is taxed at a lower rate than the tax on earned income. In a 2021 survey of private-equity professionals, carried interest accounted for an average of 84 percent of the total compensation for managing partners. Taxes on this income should be subject to the standard income tax rate.[132]

- **The mortgage interest deduction:** This tax credit allows homeowners to reduce their taxable income by the amount of interest paid on their mortgage, up to $750,000. By definition, the only taxpayers who can take advantage of this deduction are those who own a home, and the program particularly benefits those with more expensive homes. In 2018, 17 percent of the benefit from the mortgage interest deduction went to the wealthiest 1 percent of households, and 80 percent went to the top 20 percent. Only 4 percent helped households in the middle-income quintile.[133] The credit should be made more progressive—particularly to aid first-time homeowners—or should be eliminated.
- **The tax exclusion for employer-provided health care:** Under the current tax code, employer-provided health insurance benefits are not considered taxable income. This exemption disproportionately benefits those in higher tax brackets, who would normally pay a higher rate on this form of income. The Congressional Budget Office estimates that this tax credit amounted to $316 billion in 2022.[134] Again, the credit should be eliminated or reformed significantly (for more on reducing health care subsidies for high-income Americans, see Recommendation 3: Reform Childcare and Health Care to Lower Costs and Facilitate Benefit Portability).

The Commission also recommends that the federal government reconsider other tax policies so upper-income households pay their fair share. These could include increasing consumption/sales taxes on luxury goods, increased taxes on capital gains so work is not taxed at a higher rate than income from investments, and closing estate-tax loopholes that enable the wealthiest Americans to escape inheritance taxes via trusts and other tax avoidance strategies.

RECOMMENDATION 13

Support Tribal Governmental Infrastructure to Advance Native American Self-Determination

For most of the twentieth century, American Indians on reservations were among the poorest identifiable people in the United States. To this day, some tribes struggle with overcrowded housing, grossly inadequate or nonexistent water and sewer systems, outdated health facilities, inadequate roads and commercial buildings, weak food supply systems, a deficit of banking services, and a lack of broadband connectivity.[135] For many of the nation's 574 federally recognized Indian tribes, these conditions have also generated social stresses that pose severe threats to tribal culture and tradition.

Over the last several decades, progress has finally been made in reversing the deficits that have for so long burdened Indian Country. The impetus has been the adoption of federal policies of tribal self-determination through self-governance.[136] These policies gathered steam in the late 1980s and have allowed tribes to take the reins to determine their own futures. The result has been remarkable economic growth. While pockets of poverty persist, over the last thirty years, the average incomes of Native citizens on reservations across the United States have been growing more than three times faster than the incomes of the average American.[137] Similar trends are evident in other determinants of well-being, including housing, health, and education. The strengthening of tribal economies has had spillover effects into nontribal jurisdictions, turning many tribes into the financial and social service engines of their entire regions.

The Commission affirms the importance of tribal autonomy to self-govern. We also recognize that autonomy alone is not enough to foster economic security, mobility, and opportunity among Native Americans. We recommend escalating federal and nonprofit investment in tribes' *governmental* infrastructure, the web of institutions through which tribes can meet the needs of their citizens and nurture healthy economies. Many tribes are in the nascent stages of their rebuilding. Some are assembling tribal court systems from the ground up. Others are creating new health, housing, education, business regulation, and environmental protection departments. Still others are rewriting the one-size-fits-all tribal constitutions imposed by the federal government in the 1930s. Overall, it is expensive to replace paternalistic structures with policies and institutions of tribes' own design. The federal government should support this process financially. The philanthropic sector should also join in this effort. Native Americans represent roughly 2 percent of the U.S. population, but a recent report by Native Americans in Philanthropy found that Native groups received just 0.4 percent of all grants from the nation's largest one thousand foundations.[138] These foundations should increase their investment in Native peoples generally, and tribal governmental infrastructure in particular.

Governmental infrastructure is a crucial arena of investment because it offers the best path for addressing the economic challenges facing residents of tribal nations. Research consistently finds that judicial systems and administrative agencies materially increase tribes' ability to create jobs and provide public services effectively.[139] Without robust governmental systems, tribes will not be able to self-govern successfully, or be able to address their social problems or their deficient physical infrastructure.

> "[The] first step toward economic well-being is creating self-determination within the communities. . . . The root of self-determination is trying to make sure that tribes feel empowered to bring their traditional practices to the forefront of what they do."
>
> — Liberty, Indigenous Nonprofit Coordinator, Minnesota

Bolstering tribal governmental capacity will also strengthen educational opportunities, which are themselves vital for self-governance. The nation-building process requires citizens who are educated in such fields as business, public administration, law, finance, and accounting. Educational outcomes for Native citizens are improving thanks to a growing set of tribally controlled public, private, and charter schools, as well as a system of thirty-five fully accredited, tribally established and controlled colleges and universities.[140] In addition, tribes are devoting more resources to lifelong and mid-career education opportunities for Native professionals. An increase in support for self-governance will foster additional tribal control over and innovation in schooling. It will also make self-governance easier, more cost efficient, and more effective over the long run.

Tribal self-determination through self-governance means that the typical American Indian nation today is providing—or at least trying to provide—the full array of laws, regulations, infrastructure, and public services expected of nontribal state and local governments in the United States. The empowerment of tribes is certainly an overdue break from the long history of control of tribes by outside governments. But current policy leaves tribes at a disadvantage. They are compelled to fill many of the functions provided off-reservation by state and local governments, and they receive roughly equivalent degrees of support from the federal government. However, unlike state and local governments, tribal governments do not have full powers of taxation. In addition to suggesting additional financial support for emerging tribal governments, the Commission recommends remedying this inequitable treatment.

Specifically, tribal nations' powers of local taxation should be accorded primacy within each tribe's boundaries of jurisdiction. State governments generally cannot tax activities occurring within neighboring states. So, too, the widespread practice of state and local governments taxing property, commerce, business and personal incomes, and natural resources *within* tribes' jurisdictions should be ended.[141] Doing so will not only do away with seemingly endless rounds of intergovernmental litigation and jurisdictional ambiguity. It will also enable tribal governments to meet fully the responsibilities they are willingly accepting under federal policies of self-determination through self-governance.

RECOMMENDATION 14

Facilitate the Creation of Robust Local and Community Media

The Commission recommends adopting mechanisms to improve the economic landscape for local and community-focused media and media companies. This recommendation grows from two observations.

First, accurate, trusted, diverse sources of information are necessary parts of an infrastructure that allows economies to grow and communities to thrive. Healthy societies rely on trust. Trust is maintained in part through a media ecosystem that provides accurate information and that equips people to participate fully and fairly in economic opportunities. Trusted media sources are indispensable in offsetting the misinformation and disinformation that have damaged American public life at all levels, and that might only become worse with advances in artificial intelligence.

The spread of "hard" infrastructure, from canals and highways to electric-power networks and public water supplies, has been one foundation of nationwide economic growth. "Soft" infrastructure, from schools and universities to libraries and public-health programs, has distinguished the societies with the most sustained and inclusive growth. In a democratic society, success in any of these realms depends on an information infrastructure. One 2018 study found a causal relationship between the closure of a local newspaper and an increase in government deficits and municipal borrowing costs, largely due to the lack of journalistic oversight.[142] Major public decisions about the direction of the economy, as well as life-changing individual choices about career

An empty storefront for Hoyer's Photo Supply in downtown Williamsport, Pennsylvania. Hoyer's, which opened in 1935, remains open in a new location, but is one of several businesses to have relocated outside of Williamsport's main business district.

and family, rest on information a healthy media system can provide.

The role of local media extends beyond its conventional responsibility as a local government watchdog. It also acts as a crucial pillar of community cohesion. High school sports coverage, obituaries, wedding announcements, new economic development plans, and public events all help build connections between neighbors. When local news disappears, it is often replaced by national news, which is much more politically polarizing. Local news is a vital agent for creating a healthier democracy and for building engaged and trusting communities.[143]

Second, even though most American news operations are run as for-profit businesses, modern market conditions for the press have made it harder for private organizations to provide this essential public good. These pressures affect legacy news organizations, but they are even more important for the barriers they create to innovative new institutions. They have been especially intense for local and community-based news organizations, which have been eliminating reportorial staff, consolidating, and closing at a rapid pace. As news organizations have become more concentrated, homogenized, and monopolistic, they have increased the barriers for left-behind communities to have a full and useful picture of their lives. According to one Pew Research poll, 41 percent of rural Americans said the local media mostly covered their community, in contrast with 62 percent of urbanites.[144]

The nation has countless institutions that operate on the recognition that the private market will not adequately meet every public need. Public transit systems are not expected to turn a profit, nor are libraries or museums. Especially in the case of nonprofit news organizations, foundations can make investments and donations that corporations would not. National policy has also recognized the value of public support for activities that are privately run. The federal government does not directly grow corn, wheat, or soybeans, but its policies support the private farm operators who do.

Today's local and community media require philanthropic support, like that provided to libraries or museums. They also deserve the kind of public investments that have made so many industries such sources of economic growth—from semiconductors to the biomedical and aerospace industries. The Commission recognizes that public support has historically had its greatest impact in fostering innovative start-ups, rather than simply protecting incumbent organizations. That principle should guide its support for media as well. Such reform is in keeping with the long-standing American practice that has adjusted tax and regulatory policy to support media organizations, such as the first major law governing postal rates, enacted in 1792, which offered special preferential rates for newspapers and periodicals.

As it reimagines the economy, the Commission is interested in reimagining the business structure of the media industry. Internet-era private market pressures on media organizations have made it difficult—if not impossible—for many local outlets to continue operating. The Commission recommends reforming the tax code so media organizations—particularly local and community-focused organizations—are treated less like other for-profit companies and more like public utilities tasked with providing an essential service. Media organizations are a business, but not *just* a business.[145]

Print and broadcast media companies have had up-and-down waves of profitability over the years, driven by technological changes and market shifts. During the late twentieth century, many local and national media organizations were highly profitable. In retrospect, that looks like an exceptional period. The world's media organizations may now be returning to a new normal, in which information necessary for democracy does not have a robust marketplace.

Not-for-profit news organizations are on the rise—many of them allied with universities, public broadcasting services, local or community foundations, or other sources of support—and the Commission recommends that governments also help foster these types of media organizations. The Institute for Nonprofit News reports that its network doubled in size between 2018 and 2022, and now includes more than 400 independent news organizations that distribute content through over 7,100 media outlets.[146] The Commission is not advocating for the establishment of an entirely not-for-profit or public media environment. We believe, though, that help is needed for media organizations of all kinds to fill their crucial democratic function. We are not alone in this view. In September 2023, the MacArthur Foundation, with support from the Knight Foundation, the Ford Foundation, and the Carnegie Corporation of New York, pledged $500 million to help fund local for-profit and not-for-profit newsrooms.[147]

CASE STUDY

Preserving Local and Community Media in Colorado

Nonprofit trusts represent a compelling pathway for preserving the autonomy and financial sustainability of local news outlets. One such trust, the Colorado News Conservancy, offers a powerful example of how trusts can help sustain vital news organizations in uncertain economic times.

Over the last two decades, local and community media organizations in Colorado grappled with the same financial uncertainty that plagued such organizations nationwide. The years between 2004 and 2019 were marked by a significant contraction in the state's local media market, with almost one-fifth of weekly newspapers closing.[148] The instability and closures were driven by shifts in consumer behavior and by the purchase of local media companies by hedge funds and private equity firms. These closures occurred particularly in rural and suburban areas and had noticeable repercussions on community well-being. When the Denver-based *Rocky Mountain News* closed due to financial hardship in 2009, the city experienced an almost 30 percent plunge in civic engagement. Researchers found that this decline was not experienced in cities that did not lose a major paper, suggesting a correlation between the loss of local news and a decline in active community participation.[149]

The Colorado News Conservancy (CNC) was formed in 2021 to prevent further erosion of the state's local media. The CNC is a joint venture by the National Trust for Local News and the Denver-based news outlet *The Colorado Sun*—a news organization launched in 2018 by former employees of *The Denver Post* who quit in response to layoffs mandated by the *Post*'s hedge-fund ownership. In addition to the *Sun*, the CNC is made up of twenty-four local newspapers, which were purchased by the CNC with the aim of providing a sustainable, community-centric alternative to the national consolidation of local news.

The trust model relies on philanthropic support. CNC has a total of thirteen partner organizations, including the Knight Foundation, the Gates Family Foundation, and the Google News Initiative, which provide financial support, consulting, and technical assistance. The contributions of these partner organizations ensure the media organizations under the auspices of the CNC can operate without fear of closure.

The trust model of local journalism embodied by the Colorado News Conservancy provides a strategy to counter the trends of national consolidation and decline in local news. Similar trusts will soon be formed in northern Texas and Maine.[150] The Commission endorses philanthropic support for these and other trusts, as well as continued experiments with the trust model. Such creative reimagining of local media will be vital to help preserve the news organizations that are necessary for the health of local communities and the health of American democracy.

Notwithstanding this influx of financial support, the Commission recommends a combination of the following:

- Provide news organizations with a tax credit for hiring local journalists. The main challenge for media organizations today is collecting and reporting the news with adequate reporting staff. Distributing the news is no longer onerous. The supply of potential new reporters is strong, but budget constraints mean newsrooms' ability to hire is low. We need to make it easier and less expensive to collect and report the news.[151]
- Establish a national trust for local news to allow communities to keep control of their newspapers, rather than their being bought by larger media companies. A trust is a nonprofit entity that could purchase multiple newspapers and media organizations to ensure they remained under local or community control. The idea is similar to a land trust, where specific land is protected from development to maintain its natural or cultural value. A trust would be established through a collaboration between philanthropic and community-based entities that would help fund news organizations. In the Denver area, local nonprofits created the Colorado News Conservancy, which consists of twenty-four newspapers. Report for America's Steven Waldman estimates that between $1 billion and $2 billion in philanthropic support, if properly targeted, would wipe out the country's news deserts and create a strong system of reporting.[152] Trusts are a feasible and effective way to channel philanthropic support.
- Expand the Corporation for Public Broadcasting (CPB) to include all public media. The CPB is a nonprofit entity created by Congress to support public broadcasting, and is the largest source of funding for public radio and television. The mandate of the CPB could be expanded to include support for local, nonprofit, and public-service-oriented outlets.[153]
- Help hedge funds and private equity firms unwind their ownership in media companies and restore ownership of companies to local communities. These entities invested heavily in media companies when profits were high. Because of lower profits and higher interest rates, many are now looking to get out of the media business. This trend should be encouraged, and we can do so by offering one-time capital gains tax credits for investors when media companies are sold to nonprofits.
- Provide refundable tax credits to small businesses for the advertisements or sponsorships they purchase with local news organizations.

RECOMMENDATION 15

Promote Economic Connectedness

In the United States today, many Americans feel they do not have anything in common with one another. Divisions in the nation have become so extreme that the one thing Americans do seem to share is the belief that they do not share anything.[154] These divisions are especially evident along lines of political ideology, but they are also prevalent along lines of race, ethnicity, age, and other characteristics. Across the nation, feelings of us-versus-them prevail, generating disunity, political resentment, and a fractured sense of the common good.

One line of partition in American society is of particular importance to the Commission: socioeconomic status. This division is the

Central Empowerment Alliance, a non-profit in Poplar, California, distributes boxes of canned food, produce, and essentials each Friday to residents in Poplar and nearby rural communities.

result of Americans across the economic spectrum not having genuine opportunities to live, play, and work together. The Commission calls for the creation of bridges within and between communities to foster connections across lines of economic difference. We believe that inter- and intracommunity connectedness can help heal the divisions keeping Americans apart and can bring the nation closer to the fundamental conviction that we are all in this together.

Much of the nation's class-segmentation problem is caused by policy choices that structure the nation's neighborhoods and schools. The prevalence of single-family zoning and the lack of affordable housing have isolated wealthy homeowners into exclusive and homogenous neighborhoods (see Recommendation 2: Adopt Inclusionary Zoning Policies to Increase the Housing Supply). Because the assignment of students to public schools is generally based on where they live, neighborhood homogeneity is reflected in classrooms. The nation's public schools are more segregated today than they were in the 1970s, both racially and economically.[155] Students from these homogenous schools often attend colleges and universities with the same kinds of classmates they had in high school. Students from low- and middle-income backgrounds attend selective higher-education institutions at lower rates than students from wealthy families, even when they have the same test scores. For the college graduating class of 2013 (the last year for which data are available), thirty-eight colleges had more students from the top 1 percent of household income than from the bottom 60 percent.[156]

The lack of opportunity for cross-class interaction is also due to individual choices. In addition to educational decisions, affluent Americans have withdrawn from other public spaces—such as sports leagues, community pools, or recreational clubs—where cross-class relationships might be formed. The net effect is that children from well-resourced families have become far less likely to share the same spaces or form genuine connections with their peers who are not as advantaged.[157]

Scholars and policymakers have long recognized the importance of social capital, the strength of relationships and networks. Social capital provides numerous benefits, from better educational outcomes and reductions in personal prejudices to stronger civic ties, better job prospects, and improvements in mental and physical health.[158]

A 2022 study by economist Raj Chetty and his colleagues at Opportunity Insights pinpoints the role social capital plays in driving economic mobility. They find that economic connectedness, defined as cross-class friendships, is the biggest predictor of long-term upward mobility for Americans of all ages and income levels. Cross-class friendships have positive and significant outcomes for all involved. They expand the horizons of individuals who come from affluence, exposing them to those who come from less fortunate situations. These relationships also have been shown to result in tangible impacts on low-income individuals, helping to shape their "career aspirations and norms [and provide] valuable information about schools and colleges [as well as] connections to internship and job opportunities." Opportunities to form these relationships are hard to come by in communities marked by class stratification. On average, only 2 percent of low-income individuals' friends come from the top tiers of the income spectrum.[159]

Given the importance of cross-class relationships for economic mobility and for social cohesion, the Commission recommends the adoption of policies, practices, and programs to bring people together across lines of socioeconomic difference. These should address divisions both within and between communities.

To bridge intracommunity socioeconomic boundaries, the Commission suggests a revitalization of spaces where people from different backgrounds can interact with one another and develop relationships. These include public parks, local libraries, community recreation centers, and sports clubs.

Public libraries in particular show promise as connective spaces. Libraries today do far more than loan books. They offer programming for individuals of all backgrounds, including book clubs and computer and yoga classes. These are avenues for community members from different neighborhoods and backgrounds to come together on equal footing and to get to know one another.

Libraries also provide services, such as job application assistance for the unemployed and benefits assistance for the unhoused. Library-based services can also include small-business counseling and help for low-income individuals to access banking services (see Recommendation 4: Expand Access to Low-Cost Banking for Low-Income Americans). These services can be run not only by library staff but also

A public pool in Dearborn, Michigan. In 2022, the city's mayor waived all admission fees to the city's community pools for children thirteen years old and under, part of a new initiative to expand economic equity and access to the city's public goods.

by community volunteers, many of whom can share the skills and guidance needed to navigate today's economy. These programs can also broaden professional networks for lower-income participants. In King County, Washington, for example, volunteer small business counseling has been an effective way to foster cross-class mentoring relationships.[160]

To promote these kinds of economic connectedness efforts within communities, we recommend the creation of Economic Mobility Incentive Funds. These funds would come from some combination of federal, state, local, and private philanthropic sources such as the Trust for Civic Infrastructure, as proposed in *Our Common Purpose*.[161] Libraries, community centers, recreation clubs, sports leagues, or any other civic institutions could apply for funding, with grant criteria explicitly tied to programs that promote cross-class interaction and economic mobility. Congress has already started the process of expanding funding for institutions like libraries. The American Rescue Plan of 2021 allocated $200 million in grants to be distributed through the Institute of Museum and Library Services. This grant money is predicated on certain objectives, which could be expanded to cover connectedness goals. The private sector can also play a role in the effort of bridging divides by purposefully finding ways for employees in various types of jobs to come together and collaborate across socioeconomic lines.

A different set of strategies is required to create socioeconomic connections across communities. National service programs are widely recognized as an avenue to bridge partisan and social divisions. California recently expanded opportunities that enable college students to earn money for tuition, particularly by tutoring, mentoring, staffing food banks, building green spaces, and meeting other vital community needs. Such programs help bring young Americans together, fulfilling young people's desire to interact with new people and experience new places while serving the nation.

Another promising strategy to build connectedness is an intercommunity exchange program. Many Americans of high school age feel they are growing up in a bubble in which they only interact with people of a similar racial, class, and political background. A new, innovative organization, the American Exchange Project (AEP), has found that offering small groups of high school seniors free travel to different parts of the country for one or two weeks strengthens their personal, civic, and social development. The short commitment helps the appeal of the program, especially for students who are in the workforce. Giving young Americans the opportunity to travel to communities different from their own expands their horizons and allows them to form diverse relationships and networks that stay with them long after the end of the trip. Coupled with local-level efforts to increase economic connectedness, a widely available, no-cost exchange program like AEP would enable the building of social capital for Americans in their communities and beyond.[162]

The Young Women's Christian Association (YWCA) building on the west side of Williamsport, Pennsylvania. The YWCA hosts a service center for survivors of violent crimes; a prom dress closet; and a thrift store.

Conclusion

While the last few decades have been a period of innovation and growth for the United States, many people have not sufficiently benefited from these economic advances. Our analysis of how *Americans* are doing—rather than how *the economy* is doing—explains why many Americans feel it is harder than ever just to get by, not to mention get ahead. They sense that opportunities have not been opened to them or others like them. They feel burdened by the weight of historical and racial inequities. And they believe their communities have not been given a fair chance of thriving in the current economic and social climate. The real barriers and the perceived skews of economic possibilities have had profound effects at all levels of American life: on civic cohesion, family stability, educational ambition and attainment, even life span. Skewed economic opportunity may not be the only cause of political polarization and extremism. However, a widespread sense of being left out or ignored intensifies the tensions that always exist in diverse societies in times of rapid change.

Throughout American history, economic growth and opportunity have rested on individual and collective effort, within an agreed-on set of rules. The fairness and effect of those rules, and the stories Americans tell themselves about economic opportunity, have been eternal areas of debate in public life. On the basis of our listening sessions, our deliberations, and guidance from business, civic, technology, labor, and academic leaders around the country, we contend that a reimagined set of rules, aims, and expectations for the American economy could create more benefits for everyone, and markedly more opportunity for those who feel most acutely left out.

Our vision of a reimagined American political economy is one that puts people first. The nation needs to ensure all Americans are able to attain economic security and opportunity. That should be the primary mandate of the nation's financial and political institutions. By fulfilling this mandate, these institutions can foster faith that our democratic and economic systems are fair, a belief that will strengthen those institutions and help them provide even greater security and opportunity. It is unreasonable to ask Americans to have faith in institutions when they believe that those institutions treat them unfairly, and it should come as little surprise that a deficit of economic well-being has helped translate into a weakened democracy and fractured civic culture.

The recommendations in this report are actionable and achievable. And action cannot be delayed. Every day, there are Americans who are struggling to get by. Our proposals would help them. Many people are also gradually losing faith that things will get better. One of the nation's greatest strengths is the optimism of its people. It remains vital to preserve this optimism, to nurture it, and to see it grow. For the country and its economy to improve, the American people must believe that a better future is possible. They should have a real sense of how they can better their own lives and the lives of their communities.

To make all this possible, the rules, values, metrics, and norms of the political economy need to be reimagined. In this report, we offer a blueprint for bold choices that, together, can bring about truly transformative results. Our Commission has done its work with the confidence that reimagining our economy will ensure that Americans are better able to trust their institutions and one another. Our overarching purpose is to improve these systems, so that they have a strong, central focus on the American people and their well-being.

Members of the Commission on Reimagining Our Economy and project staff at the House of the Academy in Cambridge, Massachusetts, October 2022.

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Appendix A: Acknowledgments

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Appendix B: About the Commission on Reimagining Our Economy

Economic uncertainty is a disruptive force in American life. Too many families are unable to achieve the life they want despite their best efforts, too many communities have not benefited fully from national economic growth, and too many Americans believe the economy does not work for people like them. In a 2021 Pew Research Center survey, 66 percent felt that the nation's economy needs major reforms, while just 6 percent felt it should remain unchanged. Coupled with the current challenges facing American democracy, these trends contribute to the growing distrust of political and economic institutions. While it often seems that the nation cannot agree on much, there is widespread agreement that changes are needed to bolster opportunity and to allow more Americans to share in the nation's prosperity.

The specific policies needed to reform the economy, and the values that should inform those policies, are subject to intense disagreement. With this challenge in mind, the Academy launched the Commission on Reimagining Our Economy (CORE) in October 2021. The goal of the Commission is to rethink the principles, metrics, narratives, and policies that shape the nation's political economy. While policymakers and journalists often track how the *economy* is doing, the Commission seeks to direct a focus onto how *Americans* are doing, elevating the human stakes of our economic and political systems.

The interdisciplinary and crosspartisan Commission comprises scholars, journalists, artists, and leaders from the faith, labor, business, and philanthropic communities. A premise of the Commission's work is that questions of political economy are inextricable from conversations about democracy. Individual well-being is not simply a matter of dollars and cents. Other factors need to be accounted for, particularly the degree to which people feel that their voice is valued. The widespread belief that the economy does not give everyone a fair chance threatens the nation's social fabric and its constitutional democracy.

To that end, the Commission builds on *Our Common Purpose: Reinventing American Democracy for the 21st Century*. That report acknowledges that economic conditions influence public faith in government, political participation, and civic engagement. While *Our Common Purpose* does not offer recommendations specifically targeted at economic issues, *Advancing a People-First Economy* faces these issues head on.

Through listening sessions, data collection, and a commitment to crosspartisan work, the Commission has developed bold, achievable recommendations that rethink the values that should drive the economy and advance practices and policies that would enable opportunity, mobility, and security for all.

Appendix B: About the Commission on Reimagining Our Economy

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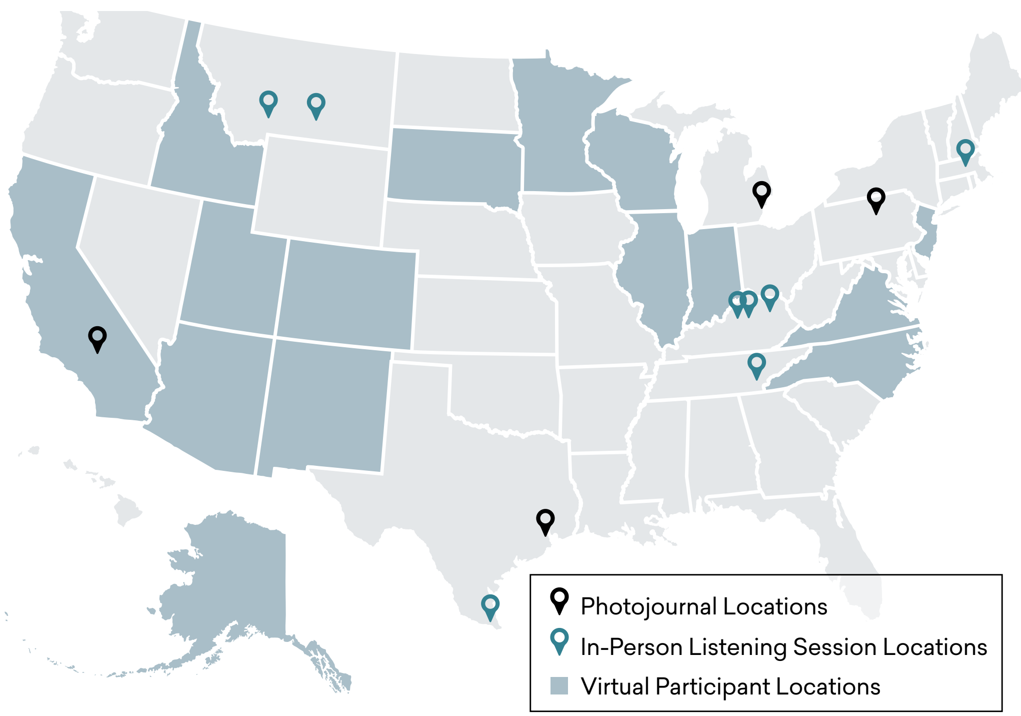
Appendix C: Listening Session Overview

Over the course of several months in 2022, the Commission convened thirty-one listening sessions with small groups of people across the country. These discussions were part of the Commission's fact-finding efforts, bringing human voices to the data and charts typically used to measure the health of the economy.

Commission members and Academy staff drew on their own networks to find participants for these conversations. The Commission heard from a diverse set of participants who came from different geographic, racial, age, and occupational backgrounds. Listening session participants included small business owners, teachers, college students, service workers, nonprofit workers, formerly incarcerated individuals, people experiencing homelessness and mental health challenges, and residents of rural areas and tribal lands. Session participants were not meant to be representative of the demographics of the country.

These conversations were hosted either by Commission members or Academy staff. Some were held virtually, others in person. The map below illustrates participant locations across the country.



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