

how should we spread prosperity & increase opportunity?

While employment figures suggest the US economy is recovering, many Americans see a different picture.

Persistent areas of poverty, fewer people staying with one employer throughout their working lives, the closing of once-secure industries, and huge student debt all present challenges to entering or staying in the middle class.

We used to take for granted that people would be better off financially from one generation to the next, but today's young people doubt that they will have the prosperity enjoyed by their parents and grandparents.

Why is this happening? How much of a person's prosperity depends on individual accountability? Is corporate and individual greed to blame for the nation's income disparities, or are wages simply not keeping up with the rising costs and debt?

Many Americans still believe in the basic notion that anyone who works hard should be able to support a family and get ahead. What can we do to make that happen?



OPTION 1 CREATE NEW OPPORTUNITIES

Make it easier for people to start new enterprises that will improve their circumstances. Small business are a large and growing part of our national economy.

WHAT COULD BE DONE:

- People could launch new side enterprises, careers, or firms that introduce innovations and provide jobs.
- The government could reduce taxes on all Americans, especially businesses, so they can keep more of what they earn.
- Banks could make more loans to small businesses and local entrepreneurs.
- States, cities, and universities could work more closely with companies and move more quickly to provide the job training so businesses can expand and put more people to work.
- Community organizations can help new businesses get rolling with free office space and mentoring services, or by helping them cut through red tape.

CONSEQUENCES & TRADE-OFFS

- Some new enterprises are risky and some will fail.
- This may reduce the revenue available for important programs.
- Some loans will be risky and could go into default.
- When governments direct people into certain fields, it's the workers who will lose if it doesn't work out.
- When new companies take off, their success could hurt other local businesses.

OPTION 2 STRENGTHEN THE SAFETY NET

We should secure and expand safeguards so that changes in the economy don't push people into poverty or leave families with children homeless or hungry.

WHAT COULD BE DONE:

- Congress could raise the unemployment tax, extend the permanent length of unemployment benefits, and make other improvements to the program.
- The federal government can increase funding to Temporary Assistance for Needy Families and ensure that the money actually goes to families in need.
- Government can strengthen Social Security and ensure it will be there for future generations.
- Local, state, and federal governments can build or repair more roads and bridges, boosting the economy and providing jobs.
- Congress could disconnect health insurance and other benefits from employment entirely, making it easier for people to change jobs and for the self-employed to have benefits.

CONSEQUENCES & TRADE-OFFS

- Unemployment taxes and benefits will cut into companies' profits.
- This could divert tax dollars from other programs.
- This would probably mean higher payroll taxes for both individuals and employers.
- Governments would get more deeply involved in the economy by starting projects primarily to create jobs.
- Large companies subsidize part of these costs--this could hurt those who do stay with the same company for a long time and rely on those benefits.

OPTION 3 REDUCE INEQUALITY

We should shrink the income gap to provide opportunities for people to move to or stay in the middle class and keep checks on how the wealthy might manipulate the system to their benefit.

WHAT COULD BE DONE:

- States and cities could increase the minimum wage, as some cities already have, to a "living wage" that would cover families' basic living expenses.
- More workers could organize to join unions to push for better wages and job security.
- States could reform school funding so that children in poor neighborhoods receive the same quality education as those in wealthy neighborhoods.
- Colleges could lower tuition and states could boost higher education funding to control college debt.
- Congress could cut taxes for low-income families and raise the top income tax rates and the estate tax.

CONSEQUENCES & TRADE-OFFS

- A significantly higher minimum wage could force some small businesses to close or lay off workers.
- This could make companies more difficult to manage and some could not compete globally.
- Wealthier districts could end up subsidizing poorer districts.
- Lowering tuition and education funding may cut into funds available for other programs.
- Raising taxes on the rich could cause them to move wealth out of the country.