NEW RULES FOR THE 21ST CENTURY:

Corporate Power, Public Power, and the Future of the American Economy

A Roosevelt Institute report written by
Nell Abernathy, Darrick Hamilton, & Julie Margetta Morgan

APRIL 2019

Until the rules work for every American, they're not working.

The Roosevelt Institute is a think tank and student-driven national network that believes in an economy and democracy by the people, for the people. The few at the top—corporations and the richest among us—hold too much wealth and power today, and our society will be stronger when that changes. Armed with a bold vision for the future, we want our work to move the country toward a new economic and political system: one built by many for the good of all.

ACKNOWLEDGMENTS

THIS REPORT WAS WRITTEN BY

Nell Abernathy
Darrick Hamilton
Julie Margetta Morgan

AND EDITED BY

Kendra Bozarth

WITH KEY CONTRIBUTIONS FROM

Andrea Flynn
Susan R. Holmberg
Mike Konczal
Rakeen Mabud
J.W. Mason
Kathryn Milani
Lenore Palladino
Camellia Phillips
Brishen Rogers
Marshall Steinbaum
Steph Sterling
Joseph E. Stiglitz
Todd N. Tucker
Felicia Wong

WITH RESEARCH ASSISTANCE FROM

Jess Forden
Kristina Karlsson

The authors would like to thank a range of thinkers who provided feedback on earlier drafts, reviewed policy proposals, and collaborated on big ideas:

Melissa Boteach | National Women's Law Center
Heather Boushey | Washington Center for Equitable Growth
Mia Dell | Service Employees International Union
Ignacio Gonzalez Garcia | American University
Rhiana Gunn-Wright | New Consensus
Jennifer Harris | Hewlett Foundation, Roosevelt Institute
Chye-Ching Huang | Center on Budget and Policy Priorities
Chris Hughes | Economic Security Project, Roosevelt Institute
Michael Jacobs | Sheffield Political Economy Research Institute
Amy Kapczynski | Yale Law School
Jacob Leibenluft | Center for American Progress
Michael S. Linden | Groundwork Collaborative, Roosevelt Institute
Amy Matsui | National Women's Law Center
Brina Milikowsky | Voting Rights Lab
Suresh Naidu | Columbia University
Mark Paul | New College of Florida, Roosevelt Institute
Sabeel Rahman | Demos
Mark Schmitt | New America
Ganesh Sitaraman | Vanderbilt University
Dorian Warren | Community Change
Becky Wasserman | Service Employees International Union
Tracy Williams | Omidyar Network
Vanessa Williamson | Brookings Institution
Gabriel Zucman | UC Berkeley

Additional thanks to Roosevelt staff and consultants for their insight and support:

Fernanda Borges Nogueira
Josh Dolin
Devin Duffy
Ariel Evans
Debarati Ghosh
Danielle Moodie-Mills
Madeline Neighly
Juliette Kang Stableski
Katie Kirchner
Jeff Krehely
Jenny Sherman
Victoria Streker
Ariela Weinberger

TABLE OF CONTENTS

Introduction	4
Section I: The Current Approach and Why It's Not Working	15
Section II: How Progressives Can Punch Back	29
Section III: Conclusion	60

FOREWORD

by Joseph E. Stiglitz

Americans today understand that there has been a change in our country's economic structure—with more money going to the very top, and many people, families, and communities struggling. Many Americans also sense that we could be on the brink of still more real change—this time through creating a more dynamic economy in which the fruits of economic growth are shared by all. If we strengthen and reimagine our economic and political institutions, we can fix our economy. This new report, *New Rules for the 21st Century: Corporate Power, Public Power, and the Future of the American Economy*, by the Roosevelt Institute, shows us how.

The financial crisis in 2008 was a sharp turning point in American history. Up until then, many of those struggling could hold onto a dream. Homes—for those fortunate enough to own such a major asset—for instance, were rising in value. Home ownership wouldn't make working families wealthy, but it would at least make them feel secure. But then the housing bubble broke, and as people lost homes, their dreams also disappeared. The "recovery" after 2008 was, at best, anemic: In the first three years, 91 percent of the gains made went to the upper 1 percent. Moreover, the gross unfairness of the entire system became painfully clear. Bankers who had caused the crisis not only went unpunished but were actually rewarded with mega-bonuses.

Suddenly, a large swath of middle- and working-class Americans were confronted by the reality of an economy that had long failed many people of color and the working poor. What had been happening for the last 30 years came into focus: Globalization and financialization had not delivered on their promises to make everyone better off. In the aftermath of the crisis, I had written:

> **History has not been kind to neoliberalism, that grab-bag of ideas based on the fundamentalist notion that markets are self-correcting, allocate resources efficiently, and serve the public interest well. Learning the lesson that neoliberalism was always a political doctrine serving special interests may be the silver lining in the cloud now hanging over the global economy.**

The economic model underlying neoliberalism was predicated on the *assumption* that all individuals received rewards commensurate with their societal contributions: In other words, those who received more were just getting their just desserts. The bank bonuses—providing such rewards that had brought the world to the brink of ruin—gave lie to that idea. The model was also predicated on what economists call *perfect competition*, or the notion that there were so many firms that no one had any market power. Indeed, the word "power" was not even part of the neoliberal economic lexicon.

In many ways, abuses of growing corporate power—both in the public and private sphere—and the diminution of public power are at the core of our current predicament. This dynamic is at the core of our growing inequality. And it helps explain why, in spite of such high returns, corporate America, sitting on trillions of dollars of cash, would rather buy back shares than invest.

Many of the reasons for this increase in corporate power and profits are linked to the country's evolving politics. As we noted in 2015, in *Rewriting the Rules of the American Economy,* beginning around the time of the "Reagan revolution," the powerful rewrote the rules of America's economy and politics to benefit themselves. A backlash against the inclusion of black Americans as full members of our polity combined with the influence of neoliberal ideology, which in the US was relabeled "supply-side economics." Supply-side economics, which the experiences of the past 50 years have thoroughly discredited, carried with it the idea that the wealthy were "job creators" and that the rules privileging them would benefit all Americans. We weakened antitrust enforcement. We made unionization more difficult. We shifted corporate governance in ways that gave CEOs more power. We deregulated banks. We signed unbalanced trade agreements. We enacted a more creditor-friendly bankruptcy law. At the same time, we eroded key public programs designed to provide public goods, such as education, technology, and infrastructure, and ensure opportunity for all. And we also limited government's role in facilitating or tweaking market outcomes.

This host of changes did not deliver on promises of high growth; instead, it led to more inequality, more instability, and slower growth. In every dimension, the economy performed more poorly. In *Rewriting the Rules of the American Economy*, we argued that the results of the decades-long experiment were clear: These flawed ideas failed America as they failed everywhere else in the world where they were tried. We said, in 2015, that unless something was done to reverse these flawed policies, matters would get still worse. We called for a rewriting of the rules of the American economy once again—not by going back to a world now gone but by heading toward a new worldview that is adapted to the 21st century and ensures shared prosperity.

As we now know, the changes in our economy and society did not come fast enough. In *The Price of Inequality,* I had worried that if we didn't respond quickly enough to this growing cancer in our society, a demagogue would arise to take advantage of the discontent. And that was precisely what Donald Trump did. Trump attacked the establishment for ignoring so many who had struggled for so long, even as he pushed policies that would exacerbate their plight, exposing more people to the risk of lack of health insurance, raising taxes on a majority of those in the vast middle class to pay for a tax cut for corporations and billionaires. All the while, he fueled other divides in our society by, for example, blaming immigrants for the country's travails.

But it is not enough to blame this all on Donald Trump. His rise and the modicum of policy "success" he's had—for instance, in deregulation and cutting taxes for corporations, all classic neoliberal policies—would not have been possible without the help of corporations. Runaway corporate power, which was borne through the concentration of wealth, along with an increasingly conservative judiciary, augmented the political influence of corporations and the wealthy. They willingly compromised any concerns about democratic institutions, social justice, or even civil rights in pursuit of more material gain. In just one example, unbridled greed by certain social media tech giants put their interest in profits over their interest in safeguarding our democracy.

We must put all of this in check. To do so, however, will require us to strengthen government power in the service of our economy—and ultimately, our democracy, our society, and our people.

New Rules for the 21st Century rightly puts a focus on *power*—on how we can curb corporate power, especially the abuses that lead to greater inequality and a weaker economy; and how we can rebalance public power, so that it serve as a check on unrestrained private power and enables the public sector to invest in goods and services that markets will not. Curbing corporate power, part of the agenda of *Rewriting the Rules,* will result in more equitable market incomes. And because so much of corporate power is directed at "rent-extraction"—getting a larger share of the nation's economic pie by taking advantage of others—rather than at wealth creation, curbing corporate power will even lead to a stronger overall economy. Moreover, a key feature of the exercise of corporate power is restraining competitive entry, so that taming corporate power will lead to a more dynamic economy, more growth, and enhanced economic opportunity.

New Rules for the 21st Century adds to this agenda of curbing corporate power with a robust emphasis on inclusive public power, which means using government for strengthening and "democratizing" the 21st century economy in ways that Franklin and Eleanor Roosevelt would have championed. This includes investing in public infrastructure and robust new efforts to combat climate change; and ensuring that government provides the conditions for a dignified life—a good job, good health care, a strong educational foundation—for *every* person in America. In addition, it requires using public power to actively check corporate rent extraction in key arenas essential to a good life and using public power to actively tackle domains of unequal outcomes for women and people of color.

All of this is possible if we reimagine the rules of our politics and policymaking. The agenda presented here is a truly bold contribution to our political moment. This new worldview stands in marked contrast to neoliberalism, which, having failed to imagine the possibility of a strong, smart, pro-common-good government, set about trying to restrain government in every way that it could.

But although this report calls for a major shift in our thinking, it is not based on a will-of-the-wisp dream: It provides an outline of a new rulebook that can actually succeed in doing what it seeks to accomplish.

The agenda presented here is a truly bold contribution to our political moment.

Trump and his ilk have put forward a divisive agenda, which will only serve to worsen the country's maladies. More inequality; more people without health insurance; more anger and anxiety; a life expectancy that continues to decline; and a macroeconomy that, as the sugar-high produced by the tax bill quickly wears off, will be weaker than it should be or could.

This report provides many of the key ingredients to a far better alternative. It is an agenda of inclusion, opportunity, and hope—a hope built on a deep understanding of economics far different from that which brought us to where we are. The true source of the wealth of a nation is its people. Changing the balance of power in our society will give all people in America the resources and opportunities to live up to their potential, enabling them to work together to achieve, often through collective action, their dreams.

INTRODUCTION

America's political landscape is shifting. A new understanding of economics has revealed what is not working in our politics and policymaking; a grassroots progressive movement is rising; a growing cohort of leaders is confronting racial, gender, environmental, and economic injustice; and a steady stream of polling and election results suggest that politics today is no longer as simple as "left" versus "right." We are in a political moment of openness—one where transformative change is possible. Bold policy ideas that, only a few years ago, were disregarded as unrealistic and politically untenable—including increased taxes on the wealthiest Americans and ambitious expansions of social programs—are gaining new and tangible traction.

But beyond individual policy proposals, this moment presents an even greater opportunity: the chance to make a fundamental course-correction in American policymaking that could shape our nation for decades.

In order to make a meaningful shift in our country's approach to policy and politics, it is essential that our leaders first accurately diagnose the factors that ruptured America's political and social fabric. Such a diagnosis will enable progressive leaders to build an agenda that tackles the root causes of today's problems; reimagine a new model for policymaking that is grounded in an inclusive, progressive worldview; and create policy solutions, using every tool in the toolbox, to promote broadly shared prosperity.

Americans are facing a host of daunting challenges, and policymakers and the public are eager for solutions to address them. Shareholder-focused corporate decision-making, outsized employer power, and inadequate labor law leave workers little room to advocate for themselves. Despite more work hours

and steady economic growth, wages are persistently low. Wealth inequality compounds inequality across generations and geographies. This has been particularly dire for black Americans who have seen the already yawning racial wealth gap exacerbated over the last 30 years (Asante-Muhammed et al. 2016). We left markets to provide the essential building blocks of a safe and secure life, making higher education, health care, and childcare increasingly unaffordable. Climate change is destroying the health of our planet, and it's set to imperil the economy—and our lives. More than 50 years since the passage of the Civil Rights Act, gains made in reducing racial disparities and expanding social integration—in housing, education, and the labor market, for example—have stagnated or been reversed (Flynn et al. 2016). In the current political economy, rapid technological change and globalization are increasing the wealth and power of elites while also undermining stable employment and our work-based safety net.

Though not apparent on the surface, these crises are all interconnected. Therefore, when targeting one issue or many, the correct policy solutions must be shaped by an understanding of the structural forces that created these crises. So, how did we get here? Over the last half century, a calculated one-two punch has been used to shape our economy, and ultimately our democracy, at every level. First, government was used to build regulatory, tax, and procurement structures that multiplied wealth and power for a small subset of Americans. Second, public sector programs that served the rest of the country were intentionally and systematically eroded.

Over the last half century, a calculated one-two punch has been used to shape our economy, and ultimately our democracy, at every level.

Policymakers and economic elites landed these two punches by promoting deeply flawed economic arguments, using strategic racism to further divide us, and undermining democracy. Defective economic reasoning allowed policymakers to argue that their choices to empower the wealthy were good for all of us; that ceding public power to the private sector would not only grow the economy but also raise incomes across the board and improve access to essential goods and services. Strategic racism was used—through deftly deployed rhetoric—to gain support for an economic system that siphoned power from the public and transferred it into private hands and also to entrench racial divisions and discourage cross-race coalitions (Hamilton 2017). Attacks on political institutions, including voter suppression, the injection of money in politics, and corruption of the judicial system, further undermined the power and accountability of the public sector and cleared barriers for the anti-government, pro-market movement.

This one-two punch has shaped how policymakers on both sides of the aisle create and implement policy, which constrains policy solutions within a narrow framework.

To break this policy mold—and build a stronger, more inclusive economy and democracy—progressive policymakers need a one-two punch of their own: curbing the concentrated power in our economy and political system while also reclaiming public power and building on the strengths of government to directly address both the individual and collective challenges facing our nation.

Power Matters

Our economy rewards those who have power, but this notion can be counterintuitive. The idea that hard work will be rewarded is ingrained in the American psyche, so it is seductive to assume that the economy rewards those who contribute the most. Even the *concept* of power is largely overlooked by dominant voices in the economics field, as explained in a recent *Boston Review* forum: “Many economists dismiss the role of power because they think it cannot be studied rigorously or belongs outside economics” (Naidu, Rodrik, and Zucman 2019). The belief that the economy can be explained simply in terms of institutions allocating resources based on efficiency is firmly fixed into the dominant strain of orthodox economic thought.

In order to make real progress on today’s most pressing social problems, our economic and political analyses must consider the power dynamics that play out in Americans’ daily lives. Though orthodox economic thought largely ignores power, other schools of thought and disciplines—classical political economy, stratification economics, feminist economics, heterodox economics, critical race theory, sociology—offer insight into the many ways that power can be accumulated and expressed. Political economy teaches us that laws and institutions can affect how power is distributed in our economy, and sociology shows how group dynamics and social structures codify the desire for higher relative positioning based on class and group identity. Stratification economics demonstrates that power is expressed along multiple dimensions, including “vertical inequality”—differences in power that are driven by class—but also “horizontal inequality”—differences in economic, social, and political power based on identity characteristics like race and gender (Stewart 2009).

HOW WE DEFINE POWER

Given the abstract nature of power, it is important to be clear about what we mean when we use the term. Throughout this paper, we will refer to concentrated **“corporate”** or **“private”** power and **“public”** or **“government”** power.

Corporate or private power

Cor·po·rate or Pri·vate Pow·er | Noun

When a concentrated group of wealthy people or a firm accumulate power, they can wield influence over markets and politics in ways that rig economic outcomes in their favor and undermine democracy. In the economy, concentrated power allows firms or individuals to leverage wealth or dominance to increase profits or gain other advantages without increasing economic value. The classic example is the monopolist who can raise prices without providing additional value to the consumer. Firms and wealthy individuals can translate their economic power into political power by, for example, buying access to policymakers through lobbying. When rules are effectively written and enforced to check corporate or private power, profit-seeking is more effectively channeled toward productive economic activity that grows the economy.

Public power

Pub·lic Pow·er | Noun

Government is equipped with a set of tools to shape markets and our society. This public power can serve all Americans by meeting individual needs—including affordable medicine, accessible banking, and more equitable education—by making vital investments—in expanded infrastructure, clean energy, or emerging industries—or by constructing market rules for fair competition. Public power can be deployed to serve all of us, actively addressing exclusions based on race and gender and redefining power so that markets work effectively. Alternatively, concentrated power in the private sector can stunt public power, turning it into a tool to enrich those at the top.

At heart, the role of power in our society is straightforward. Unchecked power does what it does best: It replicates and concentrates. When that happens, the gains of our economy flow almost exclusively to an elite group—one that is disproportionately white and male. But the government also has power, and it can act as a countervailing force. So too can social movements, labor unions, and other institutions that allow individuals to come together and collectively tame outsized private power. When public power is used well, it can help guard against consolidation of private power and promote a more equitable distribution of economic and political might. It can ease transitions in the face of disruptions like technological change and incentivize productive private investment. Public power can also ensure that the key currencies of power, such as wealth and political participation, are universally accessible and can't be hijacked by a small group. But, as we have seen time and again, government power can be corrupted. When this happens, government is moved away from its social responsibilities and is instead used by the elite as a way to further consolidate their power.

The One-Two Punch That Got Us Here

How did we get to this extreme power imbalance? With the first punch—utilizing flawed economic arguments and strategic racism (Inwood 2015)—champions of deregulation convinced policymakers, and the public at large, that deregulated markets, lower taxes on capital gains and top incomes, relaxed antitrust standards, and disempowerment of labor unions would benefit all Americans. Instead of delivering an innovative, dynamic economy, these changes paved the way for wealth and power accumulation. Corporations and financial institutions consolidated their market advantages, squeezed more from workers and consumers by cutting pay and raising prices, and prioritized profit-seeking regardless of the societal consequences. This private sector free-for-all jeopardized the well-being of individuals and communities across the US, but it also jeopardized economic growth, as it allowed the super-rich to draw profits from rent-seeking and other activities that enhance their own wealth without growing the economy. Ultimately, this allowed the very wealthy to convert their economic power into concentrated political power that, in turn, allowed them to further tilt the rules in their favor and capture more economic power.

Corporations and financial institutions consolidated their market advantages, squeezed more from workers and consumers by cutting pay and raising prices, and prioritized profit-seeking regardless of the societal consequences.

With the second punch, the same leaders who favored low taxes and deregulation also argued that public spending and public provision were inherently inefficient. They championed markets as the most effective means to meet Americans' needs and accomplish collective goals (Harvey 2005; Van Horn and Mirowski 2009). Combining free-market rhetoric with racialized attacks on public programs, government was cast as the enemy. This drove the decisions to roll back spending on public programs and abstain from creating public interventions in certain policy areas, but it also narrowed the scope of the types of interventions that the government deployed.

While eroding public sector programs, policymakers began to prioritize government interventions that facilitated private sector activity in markets, including subsidies, tax credits, and vouchers. The assumptions that direct government interference would be ineffective and that private sector actors—with government support—could efficiently meet public goals were accepted as fact. In other words, we handed our government over to markets and handed our markets over to corporations. Often, these "marketized" government tools not only fail to achieve their stated purpose but can also reinforce existing power disparities—by entrenching private power, excluding people of color, and undermining democratic accountability with little to no transparency. For example, subsidizing private providers, as opposed to directly providing public services like education and health care, has created opportunities for private profit that further heighten the runaway wealth and power of corporate America.

In other words, we handed our government over to markets and handed our markets over to corporations.

Public power has not simply been neutralized; it's been corrupted and repurposed to serve private sector actors. The free-market revolution was not about getting government out of the way—it was about using government to serve the interests of the elite private sector through fewer government restrictions that inhibit profit and more government intervention that support it (Mudge 2008). Over the last 50 years, we see evidence of this approach in every sector of our economy. Agricultural giants not only fought for less oversight of food safety, but they also sought big subsidies for their companies. Drug corporations fought regulations that oversee the products that they introduce to the market, but they welcomed those that lengthen market exclusivity rights and allow their prices to skyrocket.

Though skewed rules that favor the wealthy and rollbacks of public power away from the many are cast as moves toward more efficient, market-based solutions, they are most commonly packaged using core values like "freedom" and "choice." This rhetoric helps free-market proponents appeal to leaders and the public who share these same values. From President Ronald Reagan's assertion that government imposed on the individual freedoms of people to recent headlines and policy debates, there are ample examples of this now and throughout history. Supporters of the privatization of veterans' health care invoke "choice" and individuality. US Secretary of Education Secretary Betsy DeVos trumpets federal vouchers for private schooling as "education freedom." Yet, for most, these markets-solve-all-things "solutions" actually forestall freedom and eliminate choice. Leaving low-income, medically vulnerable veterans "free" to negotiate premiums, coverage, and drug costs within consolidated hospital, insurance, and pharmaceutical industries does not seem like freedom at all. Absent from the public narrative is the notion that government intervention can actually improve freedom and create choice for many Americans.

This one-two punch—the alleged promise of free markets and the professed ills of government—had some true believers. But for most, it was merely an allegory that conveniently fit with the outcomes that free-marketers sought to achieve: profit-seeking that was both unfettered by government restrictions and bolstered by government interventions.

Absent from the public narrative is the notion that government intervention can actually improve freedom and create choice for many Americans.

Freedom rhetoric and the erosion of public power have also been used to oppose equal rights and broad-based public programs. The political success of the free-market revolution thrived on the use of strategic racism. When public programs were expanded to include black and brown Americans, public provision became stigmatized (Naidu 2012; Winter 2006; Briggs 2018). This is especially troubling for black Americans, who are often pitted against the white working class and immigrants—a group that is often not immediately accepted into the "working class" but given an implicit leg up for not being "black." In other words, race is and has been used as a tool to placate the white working class and leave open a pathway to "whiteness" for immigrant groups by juxtaposing their relative economic, political, and social position in comparison to black people (Hamilton 2017b; Warren and Twine 1997). "The nature of racism in America means that when the rich exploit everyone else, there is always an easier and more vulnerable target to punish," writes Adam Serwer (2017). For example, during the New York draft riots of 1863, Irish immigrants directed their resentment of the rich, who were buying their way out of the war, onto the black community; "their response was nevertheless to purge black people from the city for a generation."

"The nature of racism in America means that when the rich exploit everyone else, there is always an easier and more vulnerable target to punish."

Finally, this policy approach was supported by, and continues to fuel, both a sustained assault on political institutions and the commandeering of policymaking by private interests. The economically powerful used their influence to shape elections and policymaking by rewriting electoral rules and using gerrymandering and other voter suppression tactics to disenfranchise swaths of the American population, particularly people of color. Even seemingly neutral institutions, such as regulatory agencies and courts, have been shaped by elites to serve elites—at the expense of everyone else.

A New Progressive Worldview: Our Own One-Two Punch

Many economists recognized that the policy shifts described above would increase inequality. They believed that this was an inevitable tradeoff—a bitter pill that we all must swallow in the name of economic growth. But now, the evidence is in: The choice between growth and shared prosperity is a fallacy (Ostry et al 2014). Further, it is increasingly evident that our country's drastic inequality actually threatens the strength of our economy and democracy (Stiglitz 2012).

If the economy rewards those with power, then we cannot build a robust and inclusive society without addressing America's structural power imbalances.

First, we must restructure the economy by enacting changes that strike at the heart of the concentrations of wealth and political power in America.

We can break the vicious cycle of using wealth to build political power and political power to build wealth through new policies that take aim at the concentration of wealth, including reforms that sever the connection between money and policymaking and restore our democracy. To do this, we must regulate markets, reduce uncompetitive advantages in the economy, and establish equitable and fair rules of play (Stiglitz et al. 2015). This includes enhanced antitrust enforcement, higher taxes on wealth and excess income, corporate governance reform, and more expansive labor laws.

Second, we must reimagine public interventions and view government power in a much more expansive way.

Instead of limiting government's capabilities to market-based solutions, we can reclaim the full scope of government power. We must also fight the impulse to use subsidies and market-based solutions to solve every public provision. In many cases, direct government provision and oversight, particularly through public options, is more effective. Public provision can be used to spur private sector competition and innovation, and it can also be used to prevent extractive or unjust outcomes. We can also use public power to structure a more just society that consciously fosters inclusion, which in turn could leave us all less vulnerable to the type of power consolidation we see today. In other words, government could actively work to diminish the premium on social identities like "whiteness" that ultimately serve the economic and political interests of the top by driving divisions among the many (Rahman 2017b). To ensure that the institutions that write the rules actually serve the public, we must promote anti-corruption reforms and protect democratic participation. Both economic and political reforms must be designed in a race-conscious way that considers the legacy of implicit and explicit exclusion of black and brown Americans from our democracy. This is an old story. It began with an electoral college that counted only three-fifths of a state's disenfranchised enslaved population for purposes of representation in Congress and has evolved in modern times through poll taxes, poll tests, gerrymandering, and other forms of discriminatory harassment—and it is the product of rules that we can fix.

This combination is what makes this worldview so powerful. This report will illustrate the crucial need to curb corporate power and reclaim public power. We'll show that deploying the two together is necessary to move our nation toward a future that borrows from the best of our history, amends previous mistakes, and adapts to modern times.

Only by considering both sides of the power equation—private and public—can we achieve outcomes that will meet every American's needs. Policymakers who aim to simply restructure markets, with the hope that markets will tackle intractable social problems, will find the private sector unable deliver. Policymakers seeking to expand public programs without tackling the consolidation of corporate power will find their efforts corrupted by entrenched private interests. For example, if policymakers attempt to address the college affordability crisis by providing public higher education at no cost but neglect to rein in predatory education providers and exploitative employers, students may graduate with less debt but aren't guaranteed a good education or a well-paying job. Similarly, if policymakers target the extractive for-profit college industry and raise wages across industries through labor reforms but fail to implement public investment or provision at the college level, the corrosive effects of student debt and segregation by class and race will persist.

FALSE CONSTRAINTS, ECONOMIC MYTHS

To implement the policy prescriptions outlined in this paper, policymakers must move beyond the calcified ideas that constrain our current policy thinking. We describe many of these constraints in the coming sections. Here, we debunk a few of the most flawed economic myths—by leading with facts.

Getting Government "Out of the Way" Does Not Grow the Economy

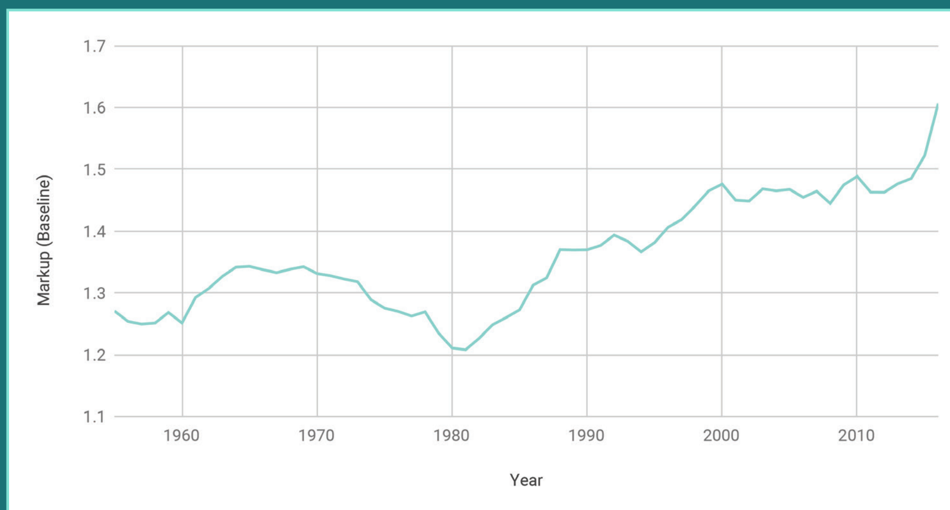
We have been told that the economy works when government stays out of the way and we put our trust in markets. The promise offered by the deregulatory, low-tax agenda—promoted since the 1970s—was that reducing government intervention in markets would increase growth. First, it is inaccurate to say that government has ever moved out of the way; rather, the last five decades show that government shifted its focus toward facilitating corporate power. Second, GDP growth has been lackluster over the last 40 years, averaging 2.6 percent since 1980, compared with 3.6 percent from 1950 to 1980 (Konczal 2019).

The main underpinning of this argument suggests that reducing taxes on the rich and deregulating firms increase investment, innovation, and dynamism. Fifty years of empirical evidence, however, indicates that these assumptions are flawed. Less taxation and less regulation may increase corporate profits and returns to capital, but these choices do not spur investment in innovation-driving, productivity-enhancing activities (Naidu, Rodrik, and Zucman 2019). One of the key features of today's economy is that investment is much lower than would be expected given sky-high corporate profits (Gutiérrez and Philippon 2018; Eggertsson, Robbins, and Wold 2018). Research from Jan De Loecker (2018) and others shows that markups, or the amount that a company charges above cost, have risen since 1980 from 18 percent above marginal cost to 67 percent. This suggests that corporate profits comprise not productive returns to capital and labor but rents (Barkai 2017; De Loecker, Eeckhout, and Unger 2018).

FIGURE 1:

THE RISE IN MARKUPS

In 2014, the average firm charged 67 percent over marginal cost, compared 18 percent in 1980.



Source: De Loecker, Eeckhout, and Unger (2018).

We've had numerous natural experiments to test the benefits of tax cuts over the last several decades and have found that cutting taxes on capital gains, top marginal tax rates, and corporations have not increased investment (Yagan 2015 Piketty, Saez, and Stancheva 2014; Just Capital 2018). Meanwhile, cross-country analyses indicate that redistribution does not have a negative impact on growth (Ostry, Berg, and Tsangarides 2014). Today, we can confidently argue that more effective regulation will not hurt the economy. In fact, there is evidence to suggest that an agenda that addresses corporate power and economic insecurity will enhance growth by increasing innovation, investment, productivity, and avoid the moral hazard associated with "too big to fail" (TBTF) that nearly bankrupted our economy (Naidu, Rodrik, and Zucman 2019). This report draws on such research throughout.

GDP Growth Is Not the Primary Measure of Economic Health

Growth—measured as the annual increase in gross domestic product (GDP)—is the primary yardstick with which pundits and policymakers measure the success or failure of the economy. This headline measure, however, obscures the ability to accurately assess the economy's strength—and more particularly, the overall economic well-being of its people (Stiglitz, Sen, and Fitoussi 2009). An *aggregate* measure of the increase (or decrease) in the value of the production of goods and services masks a great deal of information as it relates to individual well-being. Even as the last 40 to 50 years have seen anemic growth, there have been real increases in GDP and productivity (Washington Center for Equitable Growth 2018). Meanwhile, the real wage, and subsequently workers' economic standing, has remained roughly flat (Desilver 2018).

What has been rising is the value of stocks and other assets that are disproportionately owned by a small share of the population (Wolff 2017). This report will show that many of the topline indicators we point to as signs of economic strength are in fact indicators of wealth extraction from fixed assets—not the creation of wealth through productive means. Additionally, we argue that economic strength alone is not an end, but rather it is an input to a strong society and must be bookended by democratic practices and shared values. As such, our worldview is grounded not only in economic indicators but also in core American values, including equal opportunity, broadly shared prosperity, freedom, and human dignity. We look to address both vertical inequality (economic inequality between individuals) and horizontal inequality (economic inequality between groups) (Stewart 2009).

Race and Economics Are Connected

Many, if not most, policymakers across the political spectrum often treat economic equality as a separate issue from racial justice. Some even go so far as to argue that race and class are political and policy competitors. Our history shows us that this is wrong. Since before America's founding and continuing today, our economy has been built on implicit and explicit rules that include some people and exclude others based on race. These rules ranged from chattel slavery, which held that human beings—black Americans—were legal property (both financial and physical capital) (Baptist 2016) of white Americans; to property ownership laws that allowed only white men to hold and inherit wealth; to the 1935 National Labor Relation Act (NLRA) that did not provide domestic "help," a group that was disproportionately black women, with the negotiating power of a union. Although many of these rules are no longer on the books, they continue to have a deep impact on who can participate in the 21st century American economy and who cannot.[1] To rectify generational discrimination, any true economic rights agenda must deliberately place inclusion at its core (Flynn et al. 2016).

Further, racism both shaped and supported the neoliberal economic agenda throughout the 20th century. Privatization, fiscal austerity, and deregulation have privileged the already wealthy and those who already owned property or capital—America's upper-middle class, which is overwhelmingly white—and disadvantaged everyone else—disproportionately black and brown Americans (Hohle 2015). Under neoliberalism over the last 75 years, industrial jobs have moved from cities to rural regions and then offshore. This harmed primarily black and brown Americans first, but these policies hurt white American workers as well. To hold onto power while furthering a low-wage agenda that hurts workers of all races, politicians today use racist rhetoric against black workers and immigrants—a desperate, divide-and-conquer tactic that breaks up solidarity by class and holds us back from building an inclusive economy. Just as race has been directly related to our country's economic past, addressing racial inequality is a nonnegotiable part of building a strong, progressive economy.

Deregulation Does Not Reduce Racial Disparities

The claim that a deregulatory agenda would reduce racial disparities—that the less-racist seller, employer, or consumer would benefit from tapping into an undervalued pool of consumers, workers, or sellers—is simply false. This view helped drive the misguided assumption that by working hard in a competitive market, black and brown Americans can work their way out of the disparate economic outcomes they face—an assumption that has animated much of American policymaking. This myth is debunked by examining just one metric of inequality: wealth.

1 Most notably, this includes who is able to build and pass on wealth and who is not.

At every level of income and educational attainment, white households have more wealth than black households (Hamilton et al. 2015). Additionally, black households headed by someone with a full-time job have less wealth than white households headed by an unemployed person, and black households headed by a college graduate have less wealth than white households headed by someone without a high school degree.

Less Government Is Not Synonymous with More Freedom

Proponents of free markets often put forward what, on its surface, seems to be a fairly logical argument: More government means more rules and restrictions, which means less freedom. But less freedom for whom? In fact, *less* government may mean less freedom and more economic insecurity for the majority of Americans. Deregulatory agendas free up businesses to act as they please, but corporations' resulting actions often impinge on the freedoms of workers and consumers and impose a moral hazard onto society that makes us all vulnerable to the risk-taking whims of quarterly profit-seeking firm managers. Antitrust presents a prime example: Corporations' freedom to consolidate into fewer and fewer firms directly negates consumers' freedom to choose from more products and subdues workers' freedom to negotiate the terms of their employment. Further, government programs that offer social services, such as health care or education, increase Americans' freedom by treating basic well-being and opportunity as rights, not privileges.

Our Country Can Afford Big Interventions

America's markets-first approach has translated into an instinct (or, at least, a rhetoric) to treat government as a business itself, adopting budgeting mechanisms based on metaphors of balance sheets that constrain the way we account for the benefits of public investment. Instead of leaning into government's capacity to pursue long-term investments or projects with diffuse benefits, legislators have required the federal government to adhere to rules like "pay as you go" (PAYGO)—a requirement that spending programs show budget neutrality and prevent debt funding—and across-the-board spending cuts mandated by sequestration. A growing group of mainstream economists is now arguing that the government can increase debt much more than previously believed (Furman and Summer 2019; Blanchard 2018; Rogoff 2019). In fact, there is evidence that spending too little costs much more in the end (in terms of damage to human lives and to economic growth) than spending too much. See Section III for more details.

Instituting the new progressive worldview that we propose will not be easy. For decades, mainstream economists have argued that too much government is the source of all of our problems—it's inefficient, bureaucratic, and crowding out private investment—and this rhetoric has inured us to the corrosive consequences of concentrated private power (Friedman 1993). However, if there ever were an opportunity for rectifying how politics and public policymaking works in America, it is now.

This report is structured as follows:

- **Section I** will explore the concentration of corporate power and the erosion of public power. It will describe how these phenomena unfolded, and their effects on individuals' lives and our economy as a whole.

- **Section II** will outline a set of solutions that are capable of defining the American economy by curbing concentrated power and reviving public power.

- **Section III** will conclude by showing how the solutions outlined in Section II can work together to restructure markets and provide more equitable and inclusive outcomes. This section will illustrate how a new progressive worldview can lift wages, expand opportunities in public higher education, and build robust environmental policy.

SECTION I

The Current Approach and Why It's Not Working

For the last 50 years, Americans' economic security has been the casualty of a calculated one-two punch: the concentration of corporate power in our society and the corruption of government to serve corporate ends. This approach was abetted by faulty economic arguments, the use of strategic racism, and hijacking of democratic institutions. It has weakened our economy, entrenched racial and gender disparities, further undermined democracy, and made it increasingly difficult for the majority of Americans to live safe, secure, healthy, and prosperous lives. This section will explore what concentrated private power and corrupted public power look like, how we got there, and how these phenomena affect the economy and our everyday lives.

The First Punch: Concentrated Corporate Power

Concentrated power in the economy is not inevitable. Policy choices—which set the terms of our economy through rules, regulations, and institutions—determine whether markets share or consolidate power. History shows us that robust, inclusive rules can lead to better outcomes. Labor regulation can empower workers to negotiate as equals with employers; from the 1930s to present, unionization consistently raised wages by 20 percent (Farber et al. 2018). Civil rights and anti-discrimination laws can prohibit businesses from acting with prejudice against marginalized communities; public accommodations rules have reduced, though not eliminated, discrimination in hotels, restaurants, and other public places (Landsberg 2015). Progressive tax policy can work to rebalance economic disparities; higher taxes at the top can discourage the consolidation of power through wealth (Zucman 2019).

Since the 1980s, however, policymakers enacted rules that increased the power of corporations and other private actors under the banner of the free-market economy. The assumption was that CEOs and capital

markets would allocate capital to the most productive projects, thereby increasing investment, growing the economy, creating jobs, and raising wages. Some even argued that, when free of the constraints of government, competitive markets would reduce racial discrimination, because the non-discriminating employer, for instance, would expand their labor pool to undervalued workers and thus gain an advantage over a competitor (Becker 1957).

Guided by these principles, policymakers committed to a campaign to unleash market forces free of rules and regulations. They took aim at taxes, for example, reducing top marginal rates from 70 percent—through anti-tax campaigns in the 1950s, 1960s, and 1970s—to 40 percent today. They halved the estate tax, which remained close to 80 percent in the mid-20th century, to lower than 40 percent today. They also designed trade deals that would allow multinational firms to avoid tax obligations abroad while failing to establish guardrails that would enforce reasonable taxation at home.

Policymakers and regulators also weakened the regulations that were designed to check unrestrained profit-seeking and the ability to consolidate power as a way to thwart competition. They undermined antitrust enforcement: Where regulators had previously prevented firms from accruing market power over suppliers, competitors, workers, or even geographic regions, the new doctrines narrowed regulators' concern to a sole focus on consumer prices (Rahman 2016a). Paving the way for consolidation in the banking and asset-management industry, policymakers deregulated banks and financial markets. Additionally, they further undermined worker power by promoting a shareholder-first mentality within firms, designating shareholders as the primary stakeholder within corporations and endowing them with the power to dictate the allocation of resources in publicly held companies across the country (Palladino 2019). These values were then enshrined in international agreements. Trade deals today almost universally prioritize the interests of corporations and investors above all others—allowing for the protections of capital and intellectual property while failing to protect labor, environmental, and safety regulations.

Finally, influential intellectuals, corporate elites, and the policymakers who agreed with them sought to dismantle the economic and political power of groups that stood in their way—including unprivileged women and people of color. Where labor unions had served as a check on concentrated power throughout the middle of the 20th century, right-wing economists argued that business leaders would produce better social results if left to their own devices. Policymakers undermined existing laws aimed at facilitating labor organizing and stymied efforts to reform labor law to better suit the emerging service economy. All the way from the Taft-Hartley Act of 1947 to the *Janus v. AFSCME* ruling in 2018, they dismantled union power in little and big ways. At the same time, targeted attacks on the right to vote eroded the power of the electorate through voter disenfranchisement. The debacle of suspended voter registrations and closed polling places in the 2018 Georgia gubernatorial election was only the latest in a line of suppression tactics that date back to poll taxes.

The result of these shifts has been the consolidation of wealth and power in the hands of the few—with detrimental consequences for equity, growth, and democracy for everyone else.

The Markers of Concentrated Corporate Power

It is impossible to fully measure the concentration of corporate power—or the corruption of public power—but there are several phenomena that we can point to that illustrate the scale of the problem and the extent of the shift over the last several decades.

A smaller share of firms and shareholders control more of our nation's wealth.

Corporate concentration has increased in more than 75 percent of industries, with the average industry increase at 90 percent (Grullon, Larken, and Michaely 2017; Furman 2018). The financial sector is a particularly egregious example. Today, the takeover of asset-management firms means that a small collection of mutual funds and institutional investors own 70 to 80 percent of publicly traded companies in the US. Further, stock ownership is highly concentrated by wealth and race. Eighty-four percent of stocks are owned by the wealthiest 10 percent of Americans (Cohen 2018). In 2007, corporate stock, financial securities, mutual funds, and personal trusts accounted for more than 17 percent of the total assets held by white families. For black families, this number drops to 3.4 percent, and it falls even further to 2.5 percent for Latinx households (Holmberg 2018).

Asset-holders are pocketing a larger share of our national growth.

People with financial resources, such as capital and real estate, are taking more and more of the economic pie. Across the economy, the share of income going to labor, as opposed to capital, has fallen 3.5 percentage points since 2000, bucking the average maintained throughout the late 20th century when labor was taking home about 65 percent of corporate output (Abdih and Danninger 2017). Within firms, shareholders—themselves a group that skews rich and white[2]—are seeing a larger share of corporate profits. Before the 1970s, American corporations paid 50 percent of profits to shareholders and the rest was invested back into the business. Today, shareholder payments sit at 90 percent of reported profits (Mason 2015a).

Worker power is being dismantled.

The US Bureau of Labor Statistics (BLS) reports that the number of union members dropped by 50 percent from 1983 to 2016 (Dunn and Walker 2016). Union density dropped from 20.1 percent to 10.7 percent during this time frame (Dunn and Walker 2016). Occupations that are dominated by women of color, such as care work and certain sectors of the food service industry, have long been excluded from NLRA protections (Mabud and Forden 2018). Combined with unchecked corporate power, the erosion of employee power means that workers are increasingly vulnerable in today's economy.

Industry insiders and mega corporations have invaded America's democratic institutions.

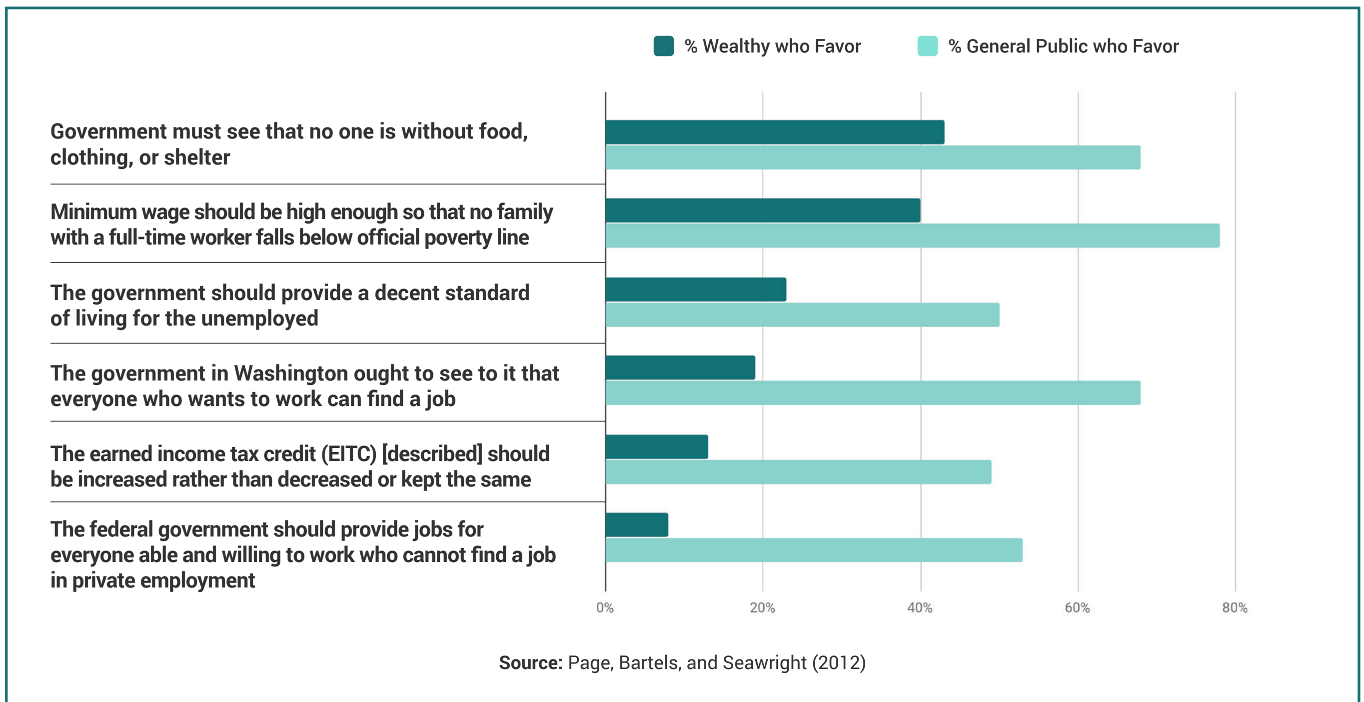
Wealthy individuals and corporations have gained disproportionate influence over elected officials, government agencies, and the courts. Recent research shows that corporate lobbyists in the US are successful 89 percent of the time, whereas public interest lobbyists fail 60 percent of the time (Mahoney 2009). In fact, policymakers are more likely to reflect the interests of the affluent rather than the citizens that they were elected to serve. According to research by public policy professor Martin Gilens (2005), votes made by elected officials are more likely to reflect the interests of those at the top 20 percent of the income distribution.

---

2 While 60 percent of white households have some stock and/or retirement accounts, only 34 percent of black households and 34 percent of Latinx households do (Wolff 2017).

FIGURE 2:

JOB AND INCOME PROGRAMS



Source: Page, Bartels, and Seawright (2012)

The Second Punch: Corrupted Public Power

This shift in how we structure private power was paralleled by a shift in how we deploy public power. Like citizens of all nations, Americans have always struggled to ensure that public power actually serves the public. Throughout our history, public force has been used to subjugate, enslave, and imprison. However, there is also precedent for when and how public provisioning can be used to effectively meet basic needs and achieve collective goals (Rahman 2016b).

When the Social Security Act was passed in 1935, President Franklin D. Roosevelt described it as "a law that will take care of human needs and at the same time provide the United States an economic structure of vastly greater soundness." In the 1960s, the Great Society programs aimed to end poverty in America by establishing Medicare and Medicaid and expanding public programs to black Americans who had long been excluded from progressive policies.[3]

By the time President Reagan took office in 1981, the idea that a government program could meet citizens' needs and boost the economy was considered foolish. Intellectual leaders of the time had succeeded in convincing policymakers and the public that government programs were wasteful and inefficient (Harvey 2005; Van Horn and Mirowski 2009). The driving notion that government programs were reflexively bad—even worse than no government involvement at all—was so pervasive that Murray Weidenbaum, Reagan's Council of Economic Advisors (CEA) chair, used to admonish his team: "Don't just stand there, undo something" (Hershey 2014). Since the 1980s, the prevailing perception has been that markets, free of government intervention into the private sector, could meet most of Americans' needs.

3 Indeed, this expansion triggered a racist backlash that ultimately helped undermine the very idea of robust public services (Inwood 2015).

The flawed—but effective—economic arguments against government power focused on a few ideas: that government management is inherently less efficient, and generates distorted incentives, and that government spending inherently reduces economic growth.

The argument that government could not—or should not—provide or manage goods and services as efficiently as the private sector led to the widespread shrinking and outsourcing of government activities. This manifested in several ways. First, it established a preference for private provision, subsidized or facilitated by public funds, over direct public services. The intellectual case behind 401ks, for example, was that the private sector could provide more choice and better returns than would arise if the government managed retirement funds (Phillips-Fein 2010). Rather than directly providing retirement security, policymakers directed government subsidies toward it as a private provision.

Another manifestation of anti-government sentiment was an increasing reliance on contractors to perform government services. Prisons and detention centers, debt collection agencies, core defense services, and other public sector employment opportunities have been turned over to the private sector through government contracts. For example, private prisons house 12 percent of federal inmates, and Federal Bureau of Prisons research reveals greater levels of violence and injury at these institutions than at public facilities (Office of the Inspector General 2016). Private immigration detention centers are at the center of claims of abuse and unsafe conditions in the US (Human Rights Watch 2017). Privatized debt collection at the Internal Revenue Service (IRS) and the Department of Education has allowed businesses to extract profits from the government while victimizing individual Americans by flouting both laws and best practices of collection (Chodorow 2017). The privatization of other positions, such as janitorial work and clerical staff at federal agencies, undermines the will of Congress to institute fair practices for public service employment, including hiring practices that have, for generations, made public sector jobs an essential stepping stone in the black community (King 2005; Parks 2010). Further, the corruption of public power can erode longstanding norms of government ethics and transparency and thus weaken democratic practices.

While the American people have lost a lot in the anti-government era, there has been one clear winner: the rich and powerful. Subsidies and government contracts pad the bottom lines of private prisons, private health care providers, for-profit colleges, and more. Corrupting public power and forcing Americans to trust the market to purchase essential goods and services entrenches existing power disparities, allowing a wealthy and powerful elite to further enrich themselves by extracting profits across a range of industries.

The Markers of Corrupted Public Power

Government has atrophied.

At a basic level, government is failing to invest in the kinds of things that only government can provide. We can see evidence of this failure to act in the decline of US investment: Compared to peer countries, the US remains below average in terms of both government expenditures and capital investments. In fact, American public capital investment as a percentage of GDP has shrunk by a full percentage point over the last decade (OECD 2017). It was not always this way. Between 1947 and 1973, the US averaged a 4.5-percent growth in real stock of public capital. But between 1973 and 1995, that figure fell to 2.3 percent (Bivens 2012). The impact of this failure to invest can be seen all around us—in crumbling infrastructure like highways and bridges but also in persistent economic and social problems that go unresolved, such as lack of access to safe, affordable childcare.

Investments in scientific research are a particular example of government atrophy. As a proportion of GDP, American investments in research and development stand at 0.8 percent (Dijkgraaf 2017). The budget for the National Institutes of Health (NIH) fell nearly 25 percent over the last decade. And for the first time since before World War II, the federal government is funding less than half of basic research in this country (Mervis 2017).

When government does act, it marketizes public interventions.

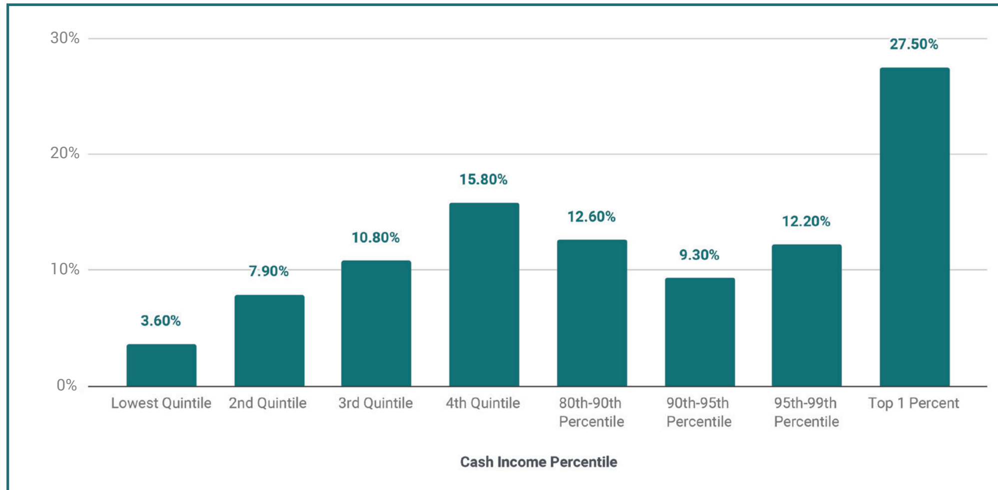
Policymakers often assume that when government does intervene in a market, it ought to do so in ways that facilitate the market rather than restructure it to improve public outcomes. Policymakers place premiums on ideas that incentivize participation, spur innovation, and encourage competition in markets. They prefer providing subsidies to individuals that allow them to purchase goods or services, rather than provisioning what would meet individuals' needs outside of private markets. Though this approach can be sensible, as in the case of the Supplemental Nutrition Assistance Program (SNAP), it has become the default in all arenas.[4] Examples include the provision of tax credits to employers who provide health care to employees (Iselin and Stallworth 2016), rather than providing health care directly to all individuals through universal health care; and the provision of vouchers for childcare instead of instituting publicly funded childcare centers (Minton and Durham 2013). Subsidies on the tax side are more significant than some may realize: The Congressional Budget Office (CBO) estimated that total tax expenditures (meaning exclusions, deductions, preferential rates, and tax credits) in 2017 were 8.9 percent of GDP—or more than half of all federal revenue (CBO 2018).

Government power is misused to subsidize the interest of large corporations and the wealthy while ignoring the precarious position of the average American.

The use of "marketized" solutions to social problems creates opportunities for private interests and the wealthy to extract privileges from the government. The most obvious instance of this is the profits that private sector actors are able to draw from government subsidies. Further, Jacob Hacker (2002), Christopher Howard (1997), and Suzanne Mettler (2010) have all described a shift in the way that government benefits are provided: away from direct public benefits and toward public programs that are hidden, such as subsidies, tax expenditures, or vouchers. Because these benefits are often invisible or submerged, beneficiaries either don't realize that they are getting a government benefit or the public doesn't understand that the benefit is available—the latter point undermines the public's faith in government to ever act in ways that actually serve the public. As such, the gains from some of these benefits accrue to the wealthiest Americans; more than half of the gains from the largest tax expenditures go to Americans at the top 20 percent of the income distribution (Ellen and Dastrup 2012). In addition, those who received these obscured benefits often don't identify as beneficiaries of government aid. In fact, they may malign other government spending programs as handouts.

4 It's important to note that we do not think that food stamps are the best approach. Policy ideas like direct cash transfers would likely be more effective.

FIGURE 3:
TAX EXPENDITURES DISPROPORTIONATELY BENEFIT THE RICH



Source: Toder, Berger, and Zhang (2016).

The Effects of Concentrated Corporate Power and Corrupted Public Power

The combined effect of concentrated corporate power and corrupted public power has been devastating for our country, and its effects can be felt in a wide variety of ways. Here, we describe just a few.

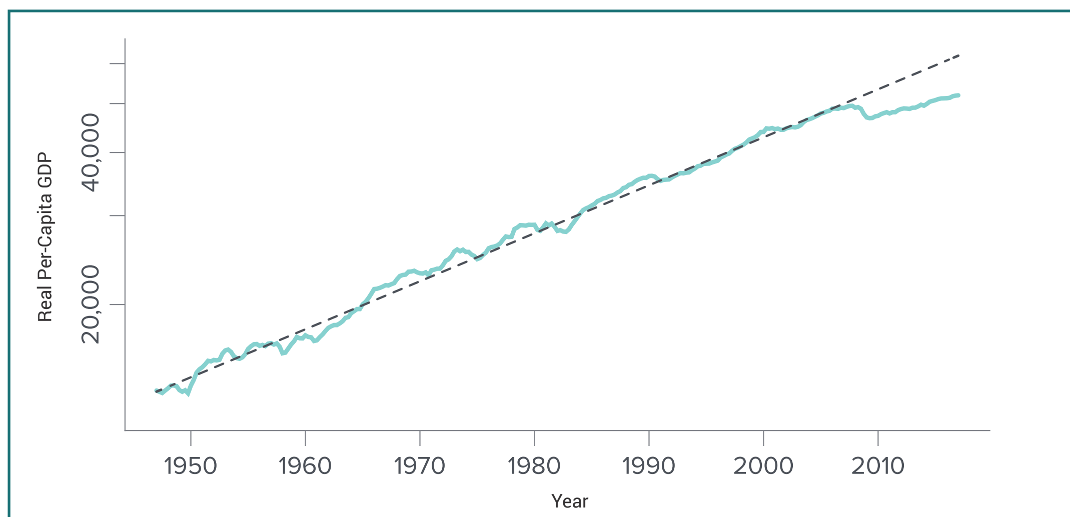
Economic Growth Is Anemic

Whether measured as GDP growth—or more specific measures of dynamism, such as productivity investment or the rate of business start-ups—our concentrated economy is falling short of its potential. At the same time, government is not investing in its people, in public programs, in technology, or in physical infrastructure—the type of investments that a strong, expanding economy requires.

The government's failure to invest is a story of both microeconomic and macroeconomic missteps. At the micro level, the federal government has failed to make investments in the things and people who grow the economy, as stated above. But at the macro level, the government has failed to promote aggregate demand (Mason 2017). Prioritizing deficits over full employment, we have not stimulated demand—and economists from Larry Summers to Federal Reserve Bank researchers now argue that this is a contributor the slow growth of the past decade (DeLong and Summers 2012; Acharya et al. 2018).

CREATIVE COMMONS COPYRIGHT 2019

FIGURE 4:
GDP REMAINS BELOW POTENTIAL



Note: The scale is logarithmic, so a constant rate of increase appears as a straight line. Real per-capita GDP compared with the 1947-2007 trend in GDP. The figure shows that from 1947 to 2007, real per-capita GDP showed a stable long-run growth rate, but it has fallen below this trend since 2007. **Source:** BEA, author's analysis.

The private sector is not investing in any of these sources of growth either. Rising stock numbers are buoyed by share buybacks and monopoly profits. Meanwhile, firms are investing much less than expected given the low cost of capital and high returns. Research from Jan De Loecker et al. (2018), Simcha Barkai (2017), and Germán Gutiérrez and Thomas Philippon (2018b) suggests this is because firms with market power don't need to invest and innovate to compete, or to raise wages and improve worker productivity to stay profitable.

Wages Are Flat

Across the board, wages have stagnated since the 1970s (Desilver 2018), but the effects are particularly pernicious for black and brown Americans. The racial wage gaps that began to improve by the 1970s have worsened since then: Black men earn 73 cents on the dollar compared to white men; black women earn 61 cents on the dollar; and Latinx women earn 53 cents on the dollar (Patten 2016; Miller et al. 2018). Such wage stagnation and wage gaps cannot be simply explained away by a "skills gap." Much of the wage inequality we see is not between skilled and unskilled workers but is driven by very profitable, often highly concentrated firms that choose to pay workers less. Moreover, racial wage gaps persist across different levels of education (Wilson and Rodgers 2016). The bottom line is that declining worker power and outsized employer power better explain today's wage stagnation than a skills gap.

In addition, labor market dynamism has fallen over the past 20 years, which means that workers are less likely—or able—to move between jobs. Because employees have limited choice when it comes to employers within a given geographic area, employers can pay workers less, implement just-in-time scheduling, deploy non-compete clauses, and discriminate more (Steinbaum, Marinescu, and Azar 2017; Barkai 2017).[5] At the same time, CEO pay has skyrocketed due to lower marginal top tax rates (fewer taxes means more take-home) and compensation in the form of more profitable stocks (increased buybacks spending has juiced stock prices) (Mishel and Scheider 2018). "Fissured workplaces," with outsourced and often subcontracted labor, and declining unionization add to power imbalances that yield lower wages, and fewer good jobs, for workers (Weil 2014).

5 A jump in concentration from the 25th percentile to the 75th was associated with a 17 percent decline in wages (Steinbaum, Marinescu, and Azar 2017); Barkai (2017) shows that the largest decreases in the labor share of income—that is, the total fraction of private sector revenue paid to workers—have occurred in industries with the largest increases in concentration.

There are a number of tools that the government can use to improve labor standards, including minimum wage and paid sick leave, or even direct employment of workers. Federal policymakers, however, have chosen not to use these tools, especially the latter. Public power has been underutilized in promoting strategies to gain full employment, including fiscal stimulus and, more specifically, targeted programs that would help transition those who have been unemployed in the long term back to work.

GOVERNMENT HAS FAILED TO DEVELOP AN INCLUSIVE JOBS AGENDA

High unemployment rates today are concentrated among black Americans in both rural and urban communities. Policymakers continue to allow for black Americans to endure an unemployment rate that is roughly two times that of the rate for white Americans (Jones 2018), failing to invest the resources and anti-discriminatory measures necessary to address racial disparity.

Policymakers have also failed to support the groups who have lost their jobs due to external shocks, such as international trade and treaty deals, and were dislocated. For example, economist David Autor and his colleagues (2016) have shown that China's accession to the World Trade Organization (WTO) in 2011, and corresponding ability to pay national workers well below US standards, resulted in American job loss that hit manufacturing communities the hardest. Without the support of public power, these communities were left to absorb the brunt of this trade adjustment, which resulted in their long-term unemployment.

Our elected officials have instead relied on a marketized approach to improve labor standards. They have cut corporate and capital taxes as a way to encourage corporations to raise wages and create more jobs. In America's monopsonized[6] labor market, employers simply absorb these benefits for themselves. The latest round of corporate tax cuts has revealed just how flawed these strategies have been. In 2018, workers took home just 6 percent of the windfall that corporations received while shareholders padded their wallets with 56 percent of the influx of funds (Just Capital 2018). By comparison, the earned income tax credit (EITC) lifts 5.8 million people out of poverty annually and benefits 26 million households (Center on Budget and Policy Priorities 2018), but analysis indicates that even the EITC entrenches power. Because the tax credit increases the supply of low-wage workers, the EITC reduces wages across the board and passes a share of the benefit on to low-wage employers (Kasy 2018).

Many Americans Do Not Have Access to Essential Goods and Services

Stagnating wages are one driver of the affordability crisis in America. When workers receive less income, it's harder to pay for the things that they need in their daily lives. Corporate concentration, however, is more directly driving affordability problems because firms and finance are pursuing profitable but extractive businesses strategies that drive up prices without necessarily providing additional value. The costs of health care, banking, and telecommunications, for example, are increasing in part because of the same trends driving lower wages: market power, shareholder primacy, tax incentives, and weakened countervailing power.

6 Labor market monopsony exists when firms are able to wield power over their suppliers—or workers in this case, who are suppliers of labor (Steinbaum 2018).

Americans pay at least 50 percent more for top-selling prescription drugs than customers in Canada, France, and Germany. This is because drug companies have secured extended monopoly rights for manufacture through massive lobbying infrastructure (Kesselheim, Avorn, and Sarpatwari 2016; Duffy and Margetta Morgan forthcoming). Despite technological advances that should have made the financial industry—an "intermediary" service—less expensive and more competitive over time, the unit cost of finance today is as high as it was in 1900, because the financial sector does not pass these savings on to consumers but rather boosts profits (Philippon 2015).

The US has the highest cost of broadband in the world, yet quality is low and access is limited—especially by race (Gutiérrez and Philippon 2018). Census Bureau data show that black and Latinx households have access to lower-speed wireless connections in comparison to white households (Thom and File 2014).

The costs of health care, banking, and telecommunications, for example, are increasing in part because of the same trends driving lower wages: market power, shareholder primacy, tax incentives, and weakened countervailing power.

In many cases, the US government abdicates its role in providing services that could be government-provisioned, like banking services and broadband. When government does decide that it is in the public interest to increase access to goods or services, it does so with subsidies or vouchers that paper over the dysfunctional market dynamics. Health insurance is the obvious example. Subsidizing the market provision of health insurance (through employers and through private marketplaces), for example, leaves Americans paying more for worse coverage than any other advanced nation. Meanwhile, every estimate of direct provision single-payer health insurance proposals, such as Medicare for All, shows that they would cost less and cover more people (Balhous 2018).

The corruption of public power has meant that millions of Americans lack access to fundamental services. In 2016, 44 million people were forced to skip filling a prescription because of the cost (Prescription Justice 2017), and approximately 44 percent of Americans report skipping a trip to a doctor when sick or injured (NORC and West Health Institute 2018). One in six Americans does not have enough food to eat, and a quarter of Americans over 65 fear that they cannot afford housing, utilities, health care, and even meals (Colicchio and Shore 2015).

Subsidizing the market provision of health insurance (through employers and through private marketplaces), for example, leaves Americans paying more for worse coverage than any other advanced nation. Meanwhile, every estimate of direct provision single-payer health insurance proposals like Medicare for All, shows that they would cost less and cover more people.

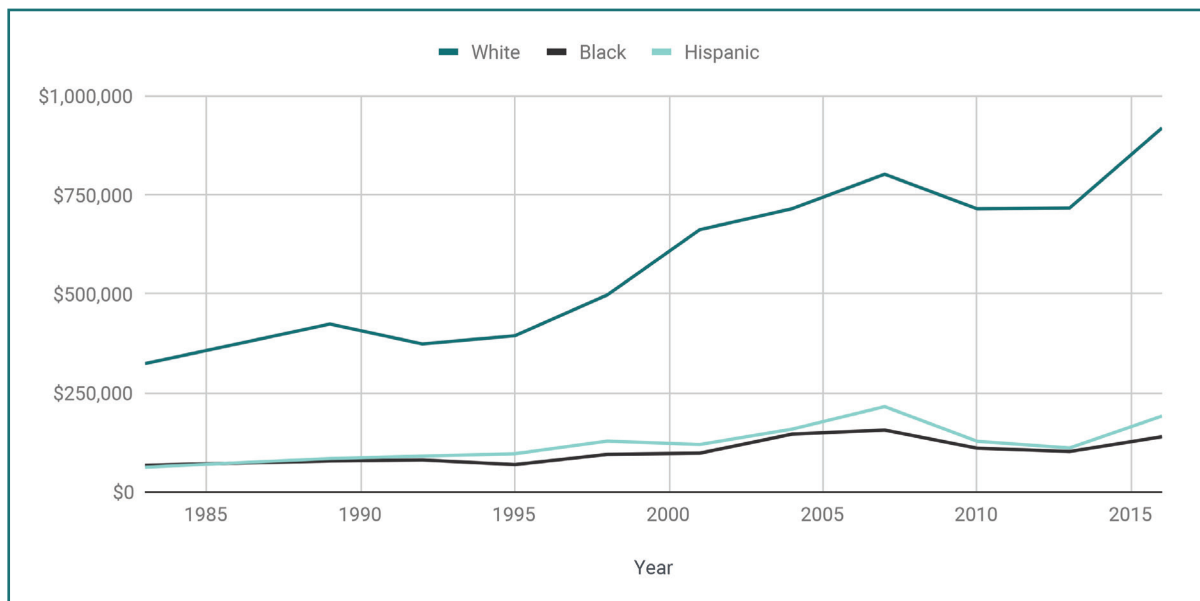
Race[7] and Gender Inequality Are Rampant

The stigmatization of black Americans facilitated the rise of the deregulatory agenda and the erosion of public power. In turn, this discrimination further entrenched racial disparities. The New Deal had established publicly shared ladders and supports that were successful in creating wealth and a strong middle class—primarily for white Americans. Those ladders and supports largely excluded black Americans, and as the country became more racially diverse, those ladders and supports disappeared for many communities of color as well. Instead, the nation's narrative for social mobility evolved to a laissez-faire bootstrap narrative that was grounded in the virtues of a "free" market that rewards hard work and know-how without acknowledging the distortions of government intervention.

Framing hard work and skills as the remedy to inequality allowed policymakers to pull up the public ladders and supports that had aided wealth creation and education for middle class white Americans. The market, however, cannot correct for centuries of compounded privilege, and power, capital, and individual initiative are unable to close the gaps established by previous and ongoing public policy. In fact, the market replicates and more deeply entrenches racial privileges. One needs only to look at the wealth gap to understand the limits of hard work and education. For instance, it has been shown that at every level of education, black Americans have less wealth than their white peers; that the gap rises rather than diminishes at higher levels of education (Hamilton et al. 2015). Indeed, racial health disparities persist, and often exacerbate, with higher levels of education—a relationship that Darrick Hamilton and Jennifer Cohen (2018) describe as a tangible consequence of having to work twice as hard to achieve the same level of material gains.

FIGURE 5a:

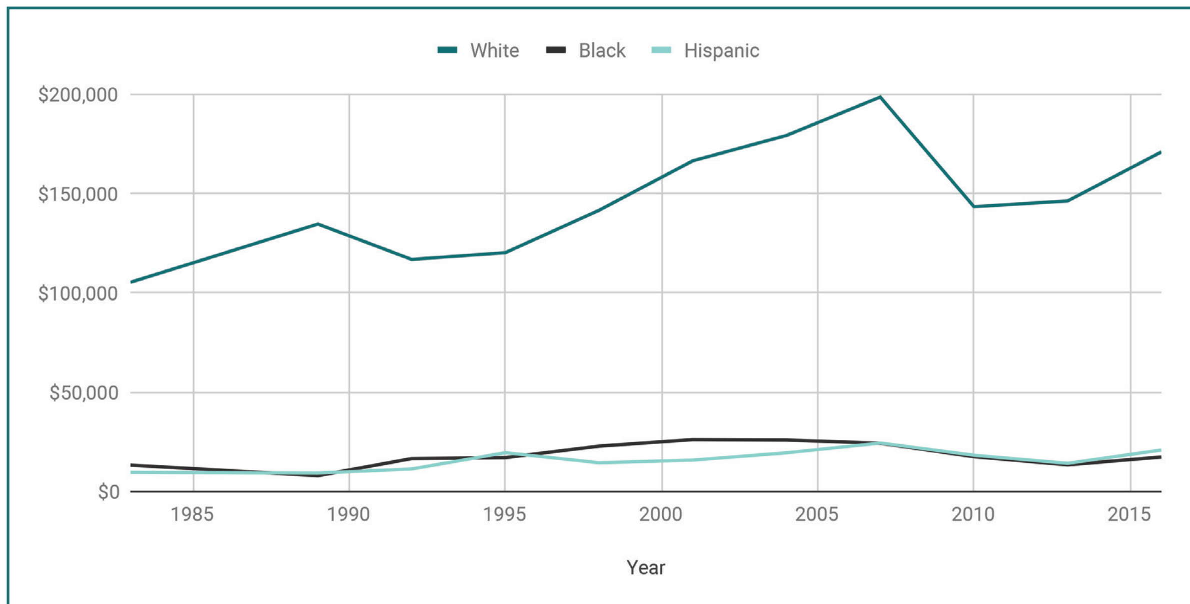
AVERAGE FAMILY WEALTH BY RACE/ETHNICITY, 1963—2016



7 Historically, racism in America was grounded in blackness; in contemporary terms, racism in America and unequal access and outcomes apply to a much broader set of races and ethnicities.

FIGURE 5b:

MEDIAN FAMILY WEALTH BY RACE/ETHNICITY, 1963—2016



Source: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983–2016. **Note:** 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later. For more, visit http://urbn.is/wealthcharts.

For the public goods and services that our nation does provide, barriers to equal access remain. One mechanism that curtails access for people of color is the regional administration and geographic segregation of public services. Devolving the implementation of public programs, including health care and education, to the state or local level has reinforced the exclusion of these benefits by race (Soss et al. 2001).

Attacks on women's autonomy—through efforts to regulate women's health and sexuality—are a key result of a regime that sought to deregulate economic activity. Women's wages, and their access to basic essentials, have continued to trail those of white men. Women of color face layered levels of economic obstacles. When compared with white men, white women earn 76 percent on the dollar, but black women earn 62 percent on the dollar, Latinx women earn 54 percent, and Native American women earn 58 percent (Flynn 2017). Women of color are disproportionately represented in low-wage jobs, in part because of occupational segregation where women and people of color are channeled toward lower-paying, lower-skilled jobs. Under a different set of rules, many of these roles could be higher-paid, unionized jobs.[8]

The lack of public power around family services hits women of color particularly hard. Women and children are not only disproportionately represented among the poor, but women are more likely to become poor when they have children (McKernan and Ratcliffe 2002). The lack of mandated family leave in the US means many households must choose between keeping a job or caring for a child. Most notably, limited health care access means that America is one of the few countries on Earth where the number of women dying in child birth is on the rise.

8 In *Invisible Men: Mass Incarceration and the Myth of Black Progress*, Becky Pettit (2012) describes how statistics are inherently skewed, given that so many incarcerated black and brown men are excluded from labor calculus altogether.

Democratic Institutions Are Under Attack

The rise and influence of concentrated corporate power go beyond the market and have infiltrated our democracy. As has always been true in America, those with economic power are able to command political power and thus influence policy outcomes by rewriting the rules in their own favor.

Firms spend approximately $3.5 billion annually on federal lobbying, but corporate influence goes well beyond what is officially documented (Center for Responsive Politics 2018). Special interest groups wield influence through regulatory processes or through the “revolving door,” a system by which regulators and policymakers move back and forth between public service and jobs in the industries that they regulate (Chopra and Margetta Morgan 2018). This cycle can discourage regulators from effectively overseeing industries that include potential future employers, but it also facilitates cultural capture, which occurs when regulators take on the norms and values of the regulated.

Corporate lobbying has effectively subverted America’s democracy, including our legal system. At both the state and federal levels, policymakers are more responsive to the interests of wealthier Americans: Research on thousands of proposed policy changes demonstrates that the preferences of the affluent are greatly aligned with policy outcomes, which means that the desires of low- or middle-income Americans have little influence in policymaking (Gilens 2012). Further, reliance on tax credits, and subsidy programs more generally, and government contracting creates incentives for excessive lobbying and corruption. Ultimately, this makes our democratic institutions more susceptible to influence (Chopra and Margetta Morgan 2018; Mettler 2011a).

Our current democracy crisis means that even seemingly neutral courts have been coopted by corporate power. Recent research shows that by funding economics trainings for federal judges, George Mason University succeeded in promoting anti-labor, anti-regulation jurisprudence. According to a recent study (Ash, Chen, and Naidu 2018), judges who attended the training program—which ran for more than 20 years and trained 40 percent of federal judges at its peak—were more likely to rule against the National Labor Relations Board (NLRB) and the Environmental Protection Agency (EPA). Comparative analysis shows that today’s Supreme Court is the most pro-business, anti-worker, anti-consumer court in modern history (Tucker 2018).

EXPLORING THE CONSEQUENCES OF CONCENTRATED CORPORATE POWER AND CORRUPTED PUBLIC POWER IN HIGHER EDUCATION

The federal government’s interventions in higher education offer one example of how too much corporate power, too little public power, and deep-rooted structural racism hurt college students, borrowers, and our economy. Based on the false assumption that workers are paid according to their skillset, policymakers have encouraged expanded access to higher education as a strategy to increase wages. Though those with a college degree do earn more than those without, this premium is sustained by the falling wages of workers with no college as opposed to the rising wages of workers with college degrees. Faced by a discriminatory labor market that requires more education for the same pay as white workers, this reality is compounded for black workers (Margetta Morgan and Steinbaum 2018).

As can be seen across the economy and throughout our society, the government's efforts to support access to higher education have been undermined by a marketized funding approach combined with an erosion of public investment. States, long the primary source of funding, have disinvested from public higher education, driving up tuition prices and decreasing access (SHEEO 2018). The federal government's strategy to increase education through both student grants (vouchers) and loans, with little to no consideration of price containment and very limited consideration of outcomes, has resulted in rising investment of public dollars and massive student loan debt but lackluster and inequitable outcomes (Looney and Yannelis 2015; Scott-Clayton and Li 2016; Peller 2017). At the outset, the federal government's Pell Grant voucher program worked reasonably well, covering much of the cost of higher education and thus creating greater access to college. The program, however, did not address price, discrimination, or the negative effects that a profit motive could have on the quality of education, among other concerns. This resulted in a federal subsidy that supports discriminatory enrollment patterns and for-profit educational programs of extraordinarily poor quality. Further, the Pell Grant voucher program did not account for the fact that private actors such as loan servicers would not be allies in the mission for universal access. Instead of holding down costs to allow for universal participation, many colleges—both public and private—raised prices, focused on merit-based aid to recruit highly qualified, upper-income students, and offered loans to lower-income students in order to meet their financial needs.

As can be seen across the economy and throughout our society, the government's efforts to support access to higher education have been undermined by a marketized funding approach combined with an erosion of public investment.

In the face of a rising affordability crisis, the government doubled down on a debt-based strategy for access to college. In the last 12 years alone, outstanding student debt rose from $500 billion to $1.5 trillion (Federal Reserve 2018). The reliance on debt has negative implications across the board, with high default and delinquency rates and negative effects on homeownership, small business formation, and savings. However, the student debt crisis has been particularly devastating for borrowers of color. Black and Latinx borrowers, for instance, are far more likely to be behind on their loan payments (Federal Reserve 2018). In fact, within 12 years of entering school, *half* of black students default on a student loan, and black borrowers on average owe 113 percent of their original balance at the 12-year mark.

Further, the inclusion of for-profit colleges in financial aid programs and the use of private providers to service student debt have created industries that prioritize funneling money to shareholders rather than spending it on collective public goals. For-profit colleges siphon off federal grant and loan dollars while providing very little in benefits to students but a lot of risk, including consistently high student loan default rates, fraud and misrepresentation that lure students in the door, and poor-quality educational services (Looney and Yannelis 2015; GAO 2011; Cottom and Darity 2017). Meanwhile, student loan servicers and private debt collectors draw millions in federal contracts while producing substandard results across the board—and hurting borrowers in the process (US Department of Education 2019).

Similar to America's low-wage problem, the policy proposals put forward to rectify today's higher education system generally take the form of increased bureaucratic accountability rather than more foundational redesign. A focus on power dynamics in markets and public power helps us see these problems in a new light: The profit motive gives the private companies in our higher education system an incentive to find ways to extract as much as possible from both the government and from students, and that motive cannot be regulated away. First, this makes it exceedingly difficult to create rules that incentivize positive results. Second, the wealth generated from federal subsidies and contracts builds power that the companies can then cash in for political influence, which can be leveraged to avoid consequences, no matter how strong the accountability rules are. Further, the marketized nature of federal funding for higher education means that the government constantly struggles—often ineffectively—to correct or account for the ways that the whims of the market affect access and affordability. Both of these truths strengthen policy proposals like free college and also bolster the case for a progressive one-two punch.

SECTION II

How Progressives Can Punch Back

An agenda to ensure that all Americans can share in our country's prosperity must tackle the unequal distribution of economic and political power in our country. Whether this means working through regulatory rules or through direct provision, our government must have a role in redefining who has power and how it can be exercised. As explored in Section I, a brutal one-two punch brought us to today's high-profit, low-wage economy, deeply embedded inequality by race and gender, and broken democracy. Because distorted policy choices are what got us here, it will take a bold, inclusive, and transformative one-two punch by progressives to get us out.

> ***First,* we must curb the power of corporations by instituting rules aimed at curbing the concentration of wealth in the economy and steering economic growth toward productive and equitable means.**
>
> ***Second,* we must then deploy public power to serve public interests, keeping key principles at the forefront of design.**
>
> These include using government's tools strategically to address power dynamics and market structure, designing public programs to proactively correct inequitable access for women and people of color, and rebuilding democratic accountability.

The two parts of this project—taming corporate power and reviving public power—are deeply interconnected, more so than our simplified framework might suggest. Bold rules to tame corporate power are in fact an expression of public power, and big government programs to uphold the collective good can curb extractive private power in the American economy and our society. Therefore, the question is: When and why do we deploy certain tools? Individual policy problems, such as wages, health care, and higher education, may require their own unique combination of market reform and government influence. But fighting these battles in policy silos has failed to deliver the structural change Americans need. There are broad, industry-wide changes that we can make in both restructuring markets and implementing public provision that will radically rebalance power in policy and politics and also allow us to more effectively tackle problems within individual markets.

Bold rules to tame corporate power are in fact an expression of public power, and big government programs to uphold the collective good can curb extractive private power in the American economy and our society.

Section II is structured as follows:

- First, we will explore policy ideas that are capable of curbing corporate power. These focus on policy changes that would restructure markets across industries, including tax policy, antitrust policy, corporate governance, financial regulation, and labor law. Some of the solutions that we lay out are very specific (e.g., raising estate taxes on the rich), and others are more general (e.g., making the abuse of market power illegal).

- Second, we will examine proposals that are critical to reviving government power and ensuring that it serves the public. These include policies designed to reduce the influence of money in democratic institutions and increase the power of the American people. Again, some of these solutions are very specific (e.g., establishing a new ethics enforcement agency), and others are more general (e.g., empowering small-dollar donors in elections). In addition, because reimagining what public power can do in the 21st century is an undertaking that requires sector-specific policy choices, we outline a broad approach to effective and robust government action to meet individual needs and achieve collective goals. We demonstrate that direct public provision is often more effective than market-based approaches.

- Finally, we outline why resources—or the "How do we pay for it?" question—are not an obstacle to reviving government's role in our society.

Curbing Corporate Power

We want and need the private sector to do the things that it can do well: create "good" jobs, invest in research and development (R&D), produce products and services that improve people's lives, push the frontier of innovation and grow our collective wealth. American businesses can deliver on these promises, but they won't do so on their own—and, as is true, they may work against the public's best interest. Ultimately, it is crucial that we rewrite the rules and reorganize the systems that structure power in markets, in our economy, and in our society more broadly. A robust initiative to do so can encourage productive, broadly shared investments, require more equitable employment policies, and curb the influence of money in our democratic institutions.

Ultimately, it is crucial that we rewrite the rules and reorganize the systems that structure power in markets, in our economy, and in our society more broadly.

The first step for a new progressive worldview requires curbing corporate power. Here, we explore a range of big policy ideas that are capable of redefining the American economy. These include:

- Progressive tax policy, which can work as a deterrent against extraction and wealth hoarding;
- A new antitrust agenda that can reduce firms' ability to exploit competitors, consumers, and workers;
- Corporate governance reform, which can discourage firms from prioritizing CEOs and shareholders at the expense of workers and broadly shared prosperity;
- Expanded financial regulation to encourage the productive—not speculative—allocation of capital; and
- The restoration of worker power as a countervailing force to keep corporations and the government in check.

Reshape Markets and Safeguard Democracy by Raising Taxes on the Wealthy

By reducing the rewards for unproductive or even destructive behavior, tax policy can strike at the heart of the power imbalances that distort our economy and politics. Given this fact, there is a set of tax policy tools that we should enact regardless of the amount of revenue they raise. We identify pro-growth, pro-democracy tax policies as the ones that can deter unproductive economic choices and encourage investments in productive parts of our economy.

Tax policy should take aim at economic rents, changing the calculus for businesses and the wealthy and "leaving more compensation on the table for lower-income workers to share" (Richards 2019). For example, low top marginal tax rates and capital gains taxes incentivize CEOs to take home an increasingly large paycheck from firm-level profits and disburse firm profits to shareholder payments. These disbursements not only increase inequality, but they also swallow funds that might otherwise be used to pay workers more, invest in productivity enhancing training, and more. Notably, when top marginal rates were lower, CEOs took home smaller salaries (Piketty, Saez, and Stantcheva 2014), indicating that a higher income tax would discourage sky-high CEO pay—which, for decades, has risen much faster than

CREATIVE COMMONS COPYRIGHT 2019

typical worker pay (Mishel and Scheider 2018). Similarly, higher capital taxes—particularly a targeted tax like a financial transaction tax—would reduce the benefits of payouts to shareholders and curb the high-frequency trading that forces managers to prioritize shareholder interests above all else. One policy idea being enacted at the local level is to peg corporate tax rates to the CEO pay-worker ratio, which companies are now required to report to the Securities and Exchange Commission (SEC). Portland, Oregon, gives a tax penalty to companies that pay their CEOs 100 times or more the median wage of company workers. The city expects to collect $3.5 million from 2018 taxes, but the ultimate purpose is to encourage companies in Portland to increase worker pay. This sends a clear message that local governments—and the federal government—can use this pay ratio as a powerful tool in highlighting bad governance decisions that harm workers and our economy (Rogoway 2019).

We identify pro-growth, pro-democracy tax policies as the ones that can deter unproductive economic choices and encourage investments in productive parts of our economy.

Further, we should deploy progressive tax policy to combat levels of wealth that are simply dangerous for democracy. The literature is fairly clear that money buys influence over elected officials (Page, Bartels, and Seawright 2013; Gilens 2005) and over advocacy and research organizations (Chopra and Margetta Morgan 2018).

More specifically, wealth and estate taxes can target the intergenerational transmission of privilege—particularly of racial privilege, and the fact that, in the US today, the wealth passed on to a child is a greater indicator of future earnings than schooling (Batchelder 2016).

Raise and extend an inheritance tax and enact a wealth tax.

A wealth tax and higher inheritance taxes would almost immediately reduce the power of the richest families to exert influence over our political system and would directly combat the inequality that threatens our social fabric. A reasonable wealth tax—which is a tax on the total value of an individual's or household's net worth—would reduce economic and political concentration in the US while having negligible impacts on capital stocks and innovation (Saez and Zucman 2019). Research suggests that approximately 35 to 45 percent of wealth in the US is inherited, not earned (Kopczuk and Lupton 2005). Raising the inheritance tax, reducing exemptions and deductions, and taxing wealth on those at the top of the wealth distribution would mitigate the transmission of this advantage without seriously jeopardizing growth or putting our economy at risk.

Raise corporate taxes and improve corporate tax collection.

By raising the statutory rate on corporations and modernizing the corporate tax code to better serve the global economy, the US can discourage corporate extraction and reduce the benefits of corporate tax arbitrage. In an economy in which corporate income increasingly compromises monopoly rents, Lídia Brun and Ignacio González (2017) show cuts in dividend and corporate income taxes increase the value of rents. Higher corporate and dividend tax rates could curb this rent-seeking. Further, several scholars have identified mechanisms that would reduce the power of firms to shift income to avoid taxes. One option, known as formulary apportionment, examines the location of a company's operations and sales to determine its tax base. Under sales factor apportionment specifically, corporations would calculate their

total global profits and then “apportion” shares of those profits to each jurisdiction using a “sales factor,” or the share of total global sales made in that jurisdiction (Clausing 2016a; Clausing 2016b). This system would make profit-shifting out of the US through financial accounting essentially impossible and keep firms accountable without harming our nation’s economic competitiveness.

Raise top marginal rates.

By raising top marginal tax rates, policymakers can reduce the incentive for powerful corporate entities to accumulate profits by any means necessary. Tax rates on the highest earners have historically been as high as 90 percent—as was true in the 1940s, a time of growing prosperity and less income inequality in the US. In the 1960s, a higher top marginal tax rate meant that CEOs were less incentivized to personally collect a multi-million-dollar salary because most of it would have gone to taxes. But in 2019, with singular top marginal tax rates at 37 percent, CEOs and managers are incentivized to myopically focus on raising short-term share prices rather than long-term stable and sustainable growth. Economists Emmanuel Saez and Peter Diamond (2012) estimated that top marginal tax rates could rise from 50 to 70 percent without threatening economic growth.

Raise effective capital gains and capital income rates.

The current tax regime for capital gains—the profit from the sale of property, such as stock or real estate—and capital income—dividends and interest payments—incentivizes an array of unproductive and unjust economic activities. Low capital gains taxes can increase shareholders’ preference for activities that inflate share prices, even at the expense of longer-term investment (Palladino, Duffy, and Seitz-Brown 2017). Because capital gains are taxed after a sale, as opposed to when the asset actually increases in value, this encourages asset holders to time the realization of a sale in order to minimize their tax burden. This type of asset accumulation not only leads to the creation of inordinate concentration of economic power but also to the sidelining of capital resources. Policymakers should raise the capital gains tax rates and also ensure that rates are paid on an accrual basis. This requires the wealthy to pay taxes on the gains annually, not when it is most lucrative for them to declare the value.

Similarly, cuts in capital income taxes—on dividends, for example—do increase stock prices (Sialm 2009; Gonzalez and Trivin 2017) but do not increase physical investment (Yagan 2015). Researchers have shown that there is not an economic benefit from cutting capital income taxes, and multiple studies have shown that optimal tax rates can be as high as 50 to 60 percent (Palladino, Duffy, and Seitz-Brown 2017; Atkinson and Stiglitz 2015; Piketty and Saez 2012). Korinek and Stiglitz (2009) even show that dividend cuts will incentivize a short-term surge in payouts at the expense of investment.

Fund IRS enforcement to ensure that large corporations and the wealthy can’t cheat the system.

Reversing the evisceration of the IRS is critical to reducing the concentration of wealth and power at the top and outright corruption. Some worry that raising taxes might also raise tax avoidance. On the domestic front, however, an effective deterrent to tax avoidance is simply funding the IRS at effective levels. From 2010 to 2017, the IRS audit rate fell 42 percent, resulting in 675,000 fewer audits. At the same time, the IRS has cut audits of the rich at a much faster rate than it has cut audits of the poor (Keil and Eisinberg 2018). Equipping the IRS to actually enforce its tax rules, by adequately funding the agency, would increase its oversight capabilities.

Prevent Powerful Firms from Dominating the Economy

America has a market power problem. Competition among firms is declining, new entrants face tougher barriers to entry, workers have less and less power to demand competitive wages and better benefits, and suppliers often can't reach the market without paying powerful intermediaries for the privilege. Some argue that this is the result of regulations, but history and cross-country experience show that robust antitrust policy can level the playing field.

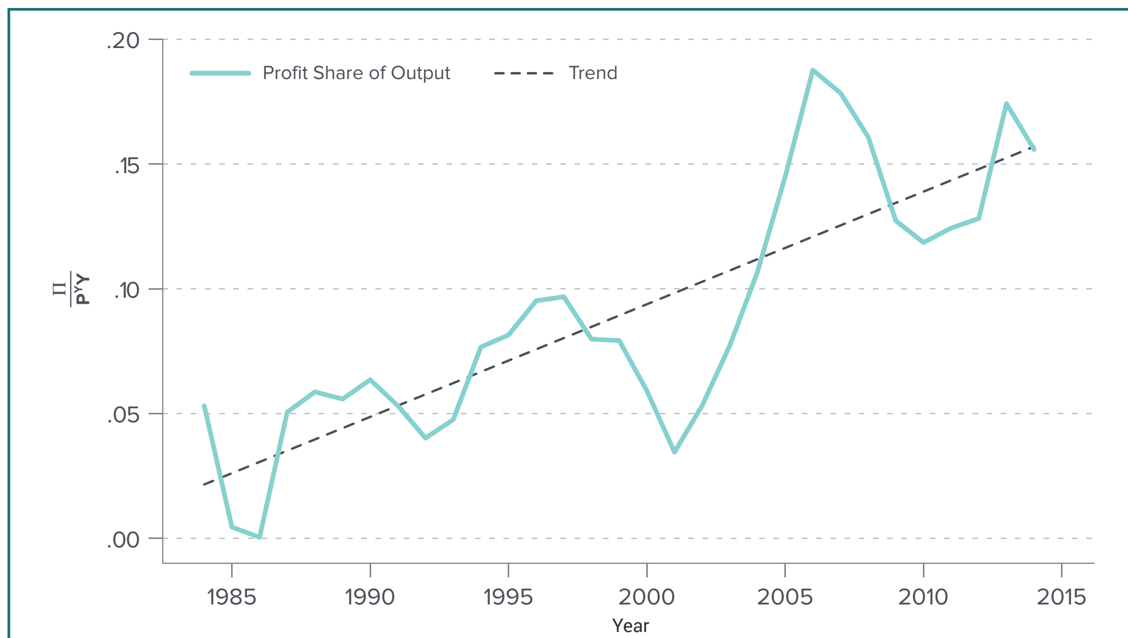
A reinvigorated antitrust regime would reduce market power and better ensure that firms can't exploit consumers, workers, competitors, and entire communities. This involves creating more bright-line rules about when exercising market power is illegal, expanding the types of harms that antitrust law considers, and shifting the burden of proof from those without market power—including smaller firms, consumers, and workers—and onto the powerful firms that are dominating our economy.

The problems associated with market concentration and the need for an antitrust regime are not new. Borne out of dire necessity during the Gilded Age of the early 20th century, robust antitrust policy successfully tackled the economic concentration that granted American robber barons dominion over the economy and politics. The Brandeisian view at the time promoted the reality that the concentration of economic power leads to concentrated political power, which ultimately pushed forward strong antitrust enforcement that targeted economic and political inequality (Brandeis 1914; Rahman 2017a). Antitrust laws were viewed as a means to bust 20th-century trusts and also as a way to ensure a free and fair democracy. Of course, much has changed since the early 20th century. At the same time that globalized marketplaces expanded the sphere of competition and the resources required to compete in the modern era, new technology platforms—left unchecked by the rules—began to benefit from network effects, increasing returns for the largest competitors (Sitaraman 2018).

A reinvigorated antitrust regime would reduce market power and better ensure that firms can't exploit consumers, workers, competitors, and entire communities.

It was during the 1970s and 80s that antitrust regulators adopted a free-market ideology, rooted in the notion of self-regulating markets, and began to justify anticompetitive behavior, including unchecked consolidation because of the alleged price benefits for consumers. Not only did this shift narrow the scope of enforcement, but it was also during this time that the burden of proof was placed onto the aggrieved parties who came before the courts. Today, we see rising corporate profits, a sign of uncompetitive markets (Barkai 2017).

FIGURE 6:
RISING PROFITS



Source: Barkai (2017).

Since the 1990s, Thomas Philippon and Germán Gutiérrez (2018) note that US markets—once the world-renowned model for competition—have seen a consistent rise in concentration and profit margins, whereas European Union (EU) markets did not. EU markets today, guided by a vigorous antitrust regime that mirrors America's early- to mid-20th century system, are more competitive and this is linked with more investment, lower costs, and less corruption. Their findings confirm other research that suggests more robust antitrust policy leads to more economic dynamism.

Adopt a new standard for merger review.

When regulators today review mergers that have the potential to consolidate corporate power, they assess possible risks for consumers but largely ignore other market participants, including workers and suppliers. In practice, the only harm to consumers that antitrust enforcers consider is higher prices. Therefore, Congress should adopt a new standard for antitrust, called the "effective competition standard," which would encourage regulators to evaluate a broader array of stakeholders, including workers, buyers, and suppliers. Researchers have in fact articulated the effective competition standard, which is capable of "preserv[ing] opportunities for competitors; promot[ing] individual autonomy and well-being; and dispers[ing] private power as the principal objective of the federal antitrust laws" (Steinbaum and Stucke 2018).

Expand the definition of market power and shift the burden of proof onto the alleged market power abuser.

It is essential for firms and individuals to more easily demonstrate that companies have market power and are using that power against them. The current enforcement regime places the burden of proof on the aggrieved party, which makes it incredibly challenging for a small business or lone worker to prove even obvious cases of infringement. For example, the owner of a platform can currently exclude a competitor from using its platform—as Facebook did when blocking Vine from its interface (Roberston 2018) to avoid antitrust liability. One way to reshape power imbalances between abusers and litigants is to expand and clarify the definition of market power and assert that prohibited conduct exhibited by any firm with market power is presumptively illegal (Steinbaum and Stucke 2018; Khan 2017a).

Use antitrust law to protect workers.

Antitrust can be a useful tool in tackling the skewed power imbalances between workers and their employers, particularly in a changing economy where labor law and oversight lag (Mabud and Forden 2018). Regulators can specifically clarify that antitrust law can and should be used to counteract the fissured workplace and mitigate differential labor market outcomes for women and people of color.[9] Market concentration that reduces wages and job quality should be eligible for consideration of anticompetitive behavior and should also be grounds for halting mergers. Specific tactics to reduce worker power—including no-poaching agreements, restrictions on wage information sharing, reclassification of workers as independent contractors, and forced arbitration clauses—should be classified as signs of undue power in labor markets and firm collusion and should be sanctioned by antitrust (Steinbaum, Bernstein, Sturm 2018).

Regulators can specifically clarify that antitrust law can and should be used to counteract the fissured workplace and mitigate differential labor market outcomes for women and people of color.

Regulate technology platforms.

When it comes to regulating corporate power and its abuses, technology platforms present new challenges. Regardless, these new technologies should remain subject to the essential idea that guided antitrust in the days of robber barons: Private providers should not control access to nor benefit from infrastructure that is critical to participating in the economy and achieving social well-being (Rahman 2016b). Technology platform exclusion and discrimination harm competition and should be treated as such by the antitrust authorities.

The first step in grappling with the rise of platform power is to define the criteria by which regulators should measure whether a digital platform falls into the category of essential infrastructure or not. Ganesh Sitaraman and Harold Feld, among others, have each put forward sets of indicia to determine when platforms cross the threshold that initiates regulation. Both highlight that when a firm benefits from network externalities—as do firms in two-sided markets, such as Amazon, Google, and Facebook—concerns about monopoly power increase (Sitaraman 2018; Feld forthcoming). Additionally, where control of data is the source of platform monopoly power, regulators must raise enforcement to a new level at which antitrust law can work to rebalance power between platforms and users who may unwittingly provide free data. In some cases, the correct response to tech platforms' power may be limited to higher scrutiny for mergers. In other cases, technology platforms should be regulated like public utilities, where government can dictate terms of access and rates and impose structural remedies.

Restrain Shareholder Dominance

A robust set of policy tools can reorient power within corporate America, so that the behavior of US companies benefits all stakeholders. Policy reforms should work to reduce the power of shareholders, change managerial incentives, and increase the power of other corporate stakeholders, especially workers.

9 Antidiscrimination policy would be a more direct approach for tackling inequitable labor market outcomes in both concentrated and unconcentrated markets.

Today, the rules and norms that guide corporate behavior—corporate law, financial regulation, tax policy, and corporate culture—incentivize firms to primarily operate in ways that maximize shareholder returns (Palladino 2019). Shareholder-first decision-making encourages companies to drive down all other costs, at the expense of investments in workers, innovation, and long-term growth (Mason 2015a). This culture of short-termism—a focus on short-term gains in stock value—means that firms prioritize growth on a quarterly basis and ignore long-term outcomes. From union busting and the fissuring of the workplace to placing downward pressure on non-executive wages (Davis 2009), shareholder primacy encourages executives and managers to pursue extractive practices like stock buybacks.[10]

A robust set of policy tools can reorient power within corporate America, so that the behavior of US companies benefits all stakeholders.

Incessant focus on share price doesn't lead to more profitable, productive companies. On the contrary, researchers have demonstrated that American firms that operate with longer-term objectives or broader stakeholder interests in mind have performed better than those that center share price. McKinsey, a global consulting firm, found that corporate leaders who focused on the long term had higher revenues, weathered negative macro-conditions, and generated more jobs than their competitors (Koller, Manyika, and Ramaswamy 2017).

Shareholder maximization strategies weren't always the primary pursuit of US corporations.[11] Corporate governance models across the globe demonstrate alternatives. For example, German laws mandate that workers at large companies elect up to half of the members of supervisory boards. These boards make high-level strategic decisions, including how to invest profits and whom to hire for senior management positions (Holmberg 2017b). The German co-determination model, which gives workers a seat at the table, is extremely popular and supported by almost every German political party.

Implement stakeholder governance.

The full range of corporate stakeholders should be represented on corporate boards, which are companies' main decision-making body. In the US, the boards of large corporations are elected solely by shareholders. For companies with publicly traded stock, this means that institutional investors are voting for board members and that company leaders propose new board members when turnover occurs through their control of the overall voting process. To create a system that serves the interests of all stakeholders, not just those of executives and the investment community, corporate boards should be required to include, at a minimum, a substantial proportion of workers as well as representatives of other non-shareholder corporate stakeholders.

Establish a new fiduciary duty.

Currently, board "fiduciary duty"—the legal standards of care and loyalty that directors owe—runs only to shareholders. This means that a board of directors is only legally required to show that it took the interests of shareholders into account in its decision-making process. Corporate boards should instead

10 This practice occurs when a corporation purchases its own shares on the open market, which artificially drives up stock prices and enriches those who sell shares (Palladino 2018). Buyback spending hit record highs in 2018—at the expense of worker pay and long-term corporate prosperity, among other productive initiatives.

11 Before the 1970s, American companies paid only 50 percent of profits out to shareholders and retained the rest for investment and wages (Lazonick 2014). For the last 10 years, public companies have spent, on average, 100 percent of profits on shareholder payments (buybacks and dividends combined).

be required to think beyond shareholders. This policy shift would mandate that boards demonstrate that they have weighed the interests of all other corporate stakeholders, including employees, customers, and the public at large, among others. It does not, however, proscribe any certain outcomes of their decision-making (Greenfield 2006).

Curb or ban stock buybacks.

While stock buybacks were regulated as form of market manipulation before 1982, stock-holding executives and shareholder-elected boards today may approve stock buyback programs and face no prohibitions to their trading activity during such programs. There are also no limits to the amount that US firms may spend on buybacks. This practice funnels profits up and out of the firm and into the pockets of shareholders. Ultimately, buybacks are a key example of a harmful misallocation of corporate resources. Congress should enforce and modernize the regulation of open-market share repurchases by passing affirmative legislation that greatly discourages or even bans stock buyback activity (Palladino 2018b).

Reduce Finance's Stranglehold on the Economy

A growing economy requires a well-functioning financial system. Finance can be the lifeblood of a humming economy—by ensuring the flow of funds from savers to investors, diversifying investments, managing risk, and providing liquidity and other resources necessary for growth—and it can be an essential tool for growing businesses, expanding the economy, and increasing standards of living (Stiglitz 2015). However, as outlined above, many of the policies that were designed to unleash the financial sector's growth-inducing potential have instead allowed finance to become inefficient, predatory, and saturated in risk—features that put our entire economy in jeopardy of collapse. Despite recent financial reforms, we continue to have an extractive financial sector that puts profit-seeking to enrich wealthy shareholders and CEOs ahead of engaging in socially beneficial financial activities that create broad-based growth.

Many of the policies that were designed to unleash the financial sector's growth-inducing potential have instead allowed finance to become inefficient, predatory, and saturated in risk—features that put our entire economy in jeopardy of collapse.

In the wake of the 2008 financial crisis, legislators—and the public—were overwhelmed by the outsized—and destructive—power of the financial sector in the economy. Dodd-Frank reforms, particularly the creation of the Consumer Financial Protection Bureau (CFPB), began to address this runaway power, but there is much more to do—especially following significant rollbacks in recent years (Rappeport and Flitter 2018). Today, the largest banks are larger, and the industry is increasingly concentrated because of the unchecked rise in mergers over the last three decades, mostly among small and mid-sized community banks (Johnson and Kwak 2011). Concerns that banks were so big that their collapse would devastate the economy, led to taxpayers having to bail out bankers while the government allowed families to lose their homes. Banks today are still TBTF; at risk of wreaking havoc on the economy, they are subsidized by the government's implicit guarantee to bail them out if they teeter on collapsing the global financial system.

Meanwhile, new and underregulated risks, innovations, and complexities abound. For example, not enough has been done to address the so-called "shadow-banking" sector or unregulated activities, such as the pervasive use of short-term debt funding by banks and other financial institutions (Admati 2019). These financial activities and institutions that operate in the dark could trigger and transmit a crisis similar to the one we experienced in 2008.

Though the CFPB has provided new resources for consumers to better navigate the financial sector, the industry has fought broader rule-making attempts to increase transparency and prevent predatory practices that disadvantage consumers and put the economy at risk. The Trump administration's recent repeal of the Obama-era fiduciary rule—a common sense requirement for financial advisers to act in their clients' best interests—enables retirement advisors to once again promote expensive products that are not necessarily needed by clients. While subprime mortgages had been sold particularly to target black and Latinx households in the runup to the Great Recession, subprime auto-loan providers today have disproportionately taken aim at people of color. Dodd-Frank rules were intended to combat these types of predatory, discriminatory lending practices, but rollbacks have weakened their effectiveness.

In order to ensure that finance's function is socially beneficial, reform of the financial sector should seek, above all, to reduce macroeconomic risk and curb predatory practices. Further, reforms should aim to increase productive lending, which could grow small businesses that currently face capital constraints, facilitate efficient, low-cost plain vanilla loans, and serve unbanked and underbanked households that are currently being exploited by high-fee lenders.

Tackle too big to fail and banking consolidation.

Undoing TBTF and breaking up concentration in our financial system are necessary to both remove the expectation that risk taking is safeguarded and reduce macroeconomic risk. Key pillars of these reforms must include capping the amount of debt that banks can bear and the accumulation of risk within a single financial institution, as well as requiring banking institutions to rely more on equity. Congress should limit banks' liabilities to a share of GDP, which would force a reduction in bank size.

Regulate shadow banking activities and institutions.

Shadow institutions (e.g., money market mutual funds, private equity funds, and hedge funds) and activities (e.g., repurchase agreements, i.e., overnight debt financings) that are not regulated but are linked to the regulated banking sector should be regulated. A broader swath of financial institutions, including the largest household-name banks, fund activities with highly leveraged short-term debt, specifically repurchase agreements. The financial crisis demonstrated that this lending model can lead to liquidity crises, similar to challenges of bank runs, and must therefore be regulated to prevent contagion. We should cap leverage rates for investment banks and other nonfinancial institutions that depend on financing activities with short-term funding.

Strengthen regulatory oversight.

We need capable and effective government institutions, such as the Federal Reserve (the Fed) and regulatory agencies, to curb predatory behavior, protect consumers, and mitigate concentrated risk in our banking system. Shining light on the financial sector's activities is critical to ensuring that consumers, the industry, and the economy at large are not put at risk of collapse. This means giving these agencies the funding necessary to perform their mandate. It also means restoring the diluted authorities of the CFPB and Financial Stability Oversight Council (FSOC). Additionally, stronger regulatory oversight will require the merging of duplicative agencies, such as the Commodities Futures Trading Commission (CFTC) and SEC.

Increase Worker Power in Markets and Politics

Fundamentally, worker organizing is about maintaining a balance of power within the economy and our democracy. It is well known that strong unionization can counter corporate power, including exploitative employer practices, and empower the most at-risk workers: women and people of color. Equally significant, unions can encourage civic participation and check the power of wealthy donors and corporate elites in our democracy.

Unions have historically been a powerful force for workers. A decades-long attack on unionization, however, has eroded American workers' agency on the job and in the economy. Between 1983 and 2015, the number of union-protected workers dropped by nearly 3 million, and unionization rates are approximately half of what they were 30 years ago (Dunn and Walker 2016). It is essential that we restore union power in the 21st century.

International experience demonstrates that strong unions can go hand-in-hand with healthy modern economies. A study of EU countries found that tripartite governance structures, which bring together business, government, and labor to make key decisions together, were highly correlated with lower inequality and unemployment (Crouch 2017). During the Great Recession, Germany actually experienced a decline in unemployment rates despite having a deeper recession than the US (Herzog-Stein et al. 2017), largely as a result of targeted labor law reforms to boost worker power (Gehrke et al. 2017; Rinne and Zimmerman 2011). Robust labor rights can facilitate open trade negotiations. When firms share the gains of trade with their unionized workforces, those union workers are also more likely to support trade deals (Dean 2015).

Fundamentally, worker organizing is about maintaining a balance of power within the economy and our democracy.

Worker organizing can also enhance democratic participation and collective action beyond the workplace. Research shows that places with strong unions have lower inequality and stronger democratic stability (Tucker 2018b; Rosenfeld 2014). Unions also help boost voter turnout and political engagement of their members, deter undemocratic or elite-based policymaking, and serve as a pathway to public service for people with working-class backgrounds (Hertel-Fernandez forthcoming; Tucker 2018b). Additionally, unions represent less-wealthy voters, which helps amplify the voices of low-wage workers and working-class people in political forums.

Though attacks on existing labor law—from policymakers, the courts, and corporations—have eroded hard-won protections that many workers have enjoyed since the 20th century, not all workers have always been included. It is important to note that racialized exclusions that were built into New Deal-era labor legislation continue to keep black and brown workers without the ability to advocate for themselves in the labor market (Katznelson 2013). Racially inclusive unionization can provide a path for all workers—but especially the most vulnerable—to achieve dignity at work.

Additionally, an increasingly fissured labor market means that vast categories of workers, such as independent contractors, franchisee employees, and subcontractors, lack effective rights under minimum wage, overtime, collective bargaining, and antidiscrimination laws (Weil 2014). Labor law reform provides an opportunity to meet the challenges of the 21st century in ways that grow the economy, strengthen our democracy, and correct for the racist legacy of labor law exclusions.

Ensure that all vulnerable workers are covered.

All workers deserve labor protections. Agricultural and domestic workers, for example should not be excluded from labor law. Congress should also make clear that the title of "employee" be broadly interpreted to include independent contractors as well as lower-level managers, and it should expand the definition of "joint employment" so that employees of subcontractors and franchisees have rights to push back against the companies that profit from their labor (Forden forthcoming). Expanding coverage to the millions of workers not covered by labor laws, in addition to making unionizing easier, will help to strengthen unions and their collective power (Weiler 1983; Estlund 2002; Sachs 2010).

Make unionizing and bargaining easier.

In order to rebalance power dynamics between employers and employees, an easier unionizing process is essential. A variety of strategies can reduce delays and obstacles to unionization, which include revising the NLRB's election process to allow for quicker certification, mandating that employers recognize workers' unions without an election if a majority has demonstrated its support (e.g., through authorization cards), and disallowing employers from delaying bargaining through pursuit of legal action (e.g., through court appeals). Both default unionism, by which workers are assumed to be part of a union unless a majority votes otherwise, and automatic (or regularly scheduled) elections would also help to expedite the unionizing and bargaining processes.

Broaden levels of unionization.

Individual corporations have reached national and international scales, leaving the firm-based bargaining structure in the US inadequate to empower workers who are employed by large multistate or multinational businesses. Unions that stretch across multiple worksites should be able to bargain together, rather than as separate units (Madland 2016). For example, multiple McDonald's sites could bargain collectively as one unit with the franchisor, rather than each location bargaining separately. A longer-term goal for labor reforms could take one step further and aim for sectoral-level bargaining, which would grant all workers in a single industry the right to collectively bargain. This could be accomplished through tripartite industry committees, which would convene representatives from labor, management, and the government to make key decisions on worker issues—such as setting industry minimum wage levels—together.[12] For example, all fast food workers would have bargaining terms, including wages and benefits, set at the industry level through wage boards, and all fast food corporations would have to comply (Andrias and Rogers 2018; Madland 2016).

Give workers a voice in decisions.

Workers should be incorporated into the decision-making process at all levels within companies and in our politics. This can be done through mandatory workplace committees that would communicate and coordinate with corporations on workplace policy. Similar to EU countries, unions could also have a dedicated voice in setting and designing benefits, such as unemployment insurance, or be incorporated into national economic governance structures in a tripartite structure with business and government.

Restore the right to strike.

Workers can only effectively mobilize and collectively bargain if they have access to a real right to strike. Currently, employers can permanently replace most strikers, and the nature and timing of organized picketing that is also recognized is severely limited. To guarantee workers the right to strike, policymakers should repeal the broad restrictions on secondary boycotts, expand protections for peaceful picketing and strikes, and make clear that employers are only allowed to hire *temporary* replacements for striking workers (Andrias and Rogers 2018).

12 Wage boards and industry committees are also an alternative option to multi-firm or sectoral-level bargaining. Such groups would effectively work toward similar goals and outcomes for labor.

Revive Public Power and Ensure That It Serves the Public

Promoting democracy means curbing corporate power *and* increasing the power of people. Corporations and the wealthy may always seek to secure and maintain advantages, but strong countervailing systems and institutions can keep those interests in check. However, a range of institutions that could provide a bulwark against elite interests have long been under attack. Through racialized voter suppression and gerrymandering, among other anti-democracy tactics, the idea of "one person, one vote" is constantly undermined. These attacks have been aided and abetted by the courts, Congress, the executive branch, as well as agencies that are the objects of direct influence, perverse incentives, and being subtly coopted.

The second step for a new progressive worldview requires reviving public power, which means ensuring that our public institutions serve the public. Here, we explore a range of policy ideas that are capable of restoring power to the people by giving all Americans a voice in our democracy. These include:

- Anti-corruption reforms that can curb the influence of money in politics and policymaking by reducing conflicts of interest among both legislators and regulators, which in turn will bolster efforts to restore the power of voting; and

- The adoption of structural institutional reforms that promote inclusive democracy, such as reforming the Supreme Court, democratizing international institutions, and extending representation to the nearly 5 million citizens in Washington DC and US territories who are not represented by the Senate.

We can then use public power to achieve essential goals and reshape power in our economy and society. This requires pushing back against conventional market-based public solutions to deploy direct provision more often. Here, we outline a new approach to deploying public power that includes understanding that:

- Direct public provision is often effective when seeking to provide universal access to the goods and services that are essential to self-determination;

- Direct public provision is often effective when seeking to achieve transformational economic goals; and

- We can deploy more robust government spending.

Curb the Influence of Money in Politics and Policymaking

Corruption in politics and policymaking stands in the way of addressing nearly every issue on the progressive agenda, from wealth inequality to climate change. It is essential that we reduce the power of wealth in our government and increase the power of everyday people.

Research demonstrates that elected officials are more likely to represent the views of affluent Americans, a reality that is particularly troubling given that the wealthiest among us do not represent most citizens either demographically or politically. For example, white men account for 45 percent of political donors and 57 percent of donations made, but they only represent 35 percent of the adult population (McElwee et al. 2016). Though *more* than half of nondonors do, less than half of large donors support the Affordable Care Act, Dodd-Frank, and the American Clean Energy and Security Act. At the same time, corporations

are channeling their interests through campaign contributions and lobbying expenditures. The former opens the door for lobbyist access, and lobbyists also use campaign contributions to reward friends (Drutman 2015). Additionally, the Supreme Court of the United States (SCOTUS) has largely constrained efforts to curb the power of corporations and the rich to funnel money into politics, and it has worked against efforts to ensure equal access to voting for all Americans.

Private interests have also perverted and manipulated government agencies in ways that halt democratic policymaking—corruptions that justify the public's growing distrust of government. Emerging scholarship shows that regulatory capture can be corrected with specific policy tools that curb industry influence across all three branches of government (Sitaraman 2016). The CFPB, which was explicitly designed to deter any potential for regulatory capture, provides a progressive model of the potential of government power. In its creation, the agency unites a range of regulatory functions into one body with a single director, which increases accountability for its actions—or inaction. By requiring documentation and publication of all consumer complaints, the CFPB has strengthened government and industry transparency. The agency has also returned approximately $3.8 billion to consumers who were defrauded by the financial industry without the catastrophic economic effects that critics predicted (CFPB 2017). The Consumer Financial Protection Bureau, which made real the vision of a federal government that serves and enhances democracy, is strongly supported by the public. Under the leadership of an avowed critic of the bureau's purpose—and ultimately public power—the CFPB's level of independence and effectiveness have been compromised.

The Consumer Financial Protection Bureau, which made real the vision of a federal government that serves and enhances democracy, is strongly supported by the public.

Policymakers can take aim at the undue influence of corporations and the elite in many ways, including by increasing transparency, amplifying the power of small-dollar donors, and passing broader voter legislation. Only structural changes can restore the government's potential to serve the public, preserve regulatory independence, and insulate policymakers from corruption.

Reduce conflicts of interest.

Government officials, especially in the executive branch, are restricted in many ways from participating in decisions that impact their financial interests, but there are glaring holes. To eliminate conflicts of interest across the board, we must establish new fiduciary duties that cement government officials' responsibility to citizens, including requiring impartiality and care, mandating that the president and vice president are subject to the laws that guard against using public office for private gain, and banning stock trading by senior executive branch officials and members of Congress and their staff (Chopra and Margetta Morgan 2018).

Slow the revolving door.

Addressing the flow between government office and private industry is critical to ensure that all officials' actions are in accordance with the public interest and not motivated by corporate or private gain. To do this, individuals actively involved in lobbying or influencing public policy or regulations on behalf of for-profit entities should be forbidden from assuming a government office unless there is clear consent from the legislative branch. When they are truly engaged in lobbying strategy and influence peddling, departing senior officials should not be able to claim that they are "consulting" or use other justifications to avoid mandated cooling off periods.

Political appointees should be forbidden from entering a career position for two years unless the agency receives consent from the majority and minority leaders of both the House and Senate. Additionally, corporate bonuses rewarding previous government service should be prohibited.

Centralize ethics enforcement.

The establishment of a Public Integrity Protection Agency could consolidate the ethics enforcement responsibilities that are currently fragmented among a range of offices, granting one agency the power to serve as a true watchdog of citizen interests in government policymaking. Such a body would have independence from political control, a statutorily determined budget, and the power to write regulations that prohibit malfeasance by corporations and government officials. Key functions would include the power to bring civil and criminal enforcement actions in federal court, issue civil money penalties, and inspect and investigate individuals and companies seeking to influence federal officials.

Empower small-dollar donors.

Meanwhile, the cost of running for election in a post *Citizens United v. Federal Election Commission* (Youn 2010) world raises barriers to a more equitably representative body of elected officials. Most working-class people don't have the level of connections or visibility in their communities to run for office that campaign donors have; can't take time off from work to run; and aren't recruited by party leaders (Carnes 2018). This reality can be seen in many ways: Millionaires comprise a majority of post-war era presidents and current Supreme Court justices; highly paid professionals make up at least half of Congress; and people from working-class backgrounds account for less than 2 percent of federal legislators. Irrespective of party membership or ideological orientation, politicians with working-class roots are more likely to support policies that reduce inequality than those with white-collar roots (Carnes 2013). Research by political scientist Kristina Miler (2018) finds that the poor are essentially unrepresented in Congress, as poor people neither serve in office nor have their interests effectively represented by others. As a result, the body spends only 1 to 2 percent of its time on poverty-related matters, and it has historically made underinformed and ineffective interventions on poverty-related matters. All of these exclusionary factors contribute to the US having the lowest turnout rate of eligible voters of any advanced democracy because Americans don't think that their votes count.

By empowering small donors, a growing number of states and localities are setting an example on how to curb the influence of money in politics. Designs for these programs range, but the basic idea is that if a candidate for office gets a sufficient number of small-dollar donors, they are then eligible for public funds. Average voters are much more represented among donors in New York City elections that deploy such a program, compared to New York state elections that do not. Special interests (defined as a corporation, a limited liability company (LLC), political action committee, union, or party committee) comprised just 6 percent of donors for New York City candidates in 2013 as opposed to 69 percent of donors in the New York state elections in 2014 (NYC Campaign Finance Board n.d.). Studies on the effects of such programs in Connecticut, Maine, and New York demonstrate that the infusion of public funds increased the diversity of candidates. One study found that people of color account for 30 percent of candidates in publicly financed elections, compared to just 16 percent of candidates overall. Within two cycles of publicly funded election campaigns, the number of Native American and Latinx candidates in Arizona nearly tripled (Marziani et al. 2011).

Two proposals that are currently being considered at the federal level mimic successful strategies employed in state and local elections (Lacy 2018). One option would match a candidate's small-dollar donations if they refused to accept donations above $1,000, and donations under $150 would be eligible

for 6-to-1 matching in public funds. New York City has deployed a similar proposal in local elections since the 1990s. Another proposal in House Resolution 1—an anti-corruption reform bill—would provide all eligible voters with a tax credit of up to $50 for political donations as long as they gave less than $300.

Increase transparency in elections.

Along with empowering small-dollar donors, we must also increase transparency around corporations' political activities that largely go unreported. Transparency is a flawed tool for regulation, but it has allowed consumers to hold corporations accountable for their political spending. For example, increased transparency in Minnesota elections revealed Target's funding of anti-LGBTQ candidates and resulted in customer backlash (Lohn 2010). Government and corporate transparency, unfortunately, have been on the decline. Whereas more than 80 percent of spending by outside groups was fully disclosed through the 1990s and early 2000s, only 49 percent was disclosed in the 2018 election (Center for Responsive Politics n.d.).

The current standard for disclosure in federal elections is the proposed Democracy Is Strengthened by Casting Light on Spending in Elections (DISCLOSE) Act, which would require all organizations that spend more than $10,000 on political advertising to disclose their donors.

Institute a voting rights act for the 21st century.

Government institutions in America today sustain their racist past. After denying black Americans voting rights for much of US history, the Voting Rights Act of 1965 was enacted to address discriminatory voting restrictions. For racial and linguistic minorities, the act succeeded in increasing voting and public officeholding. Yet, in *Shelby County v. Holder* (2013), SCOTUS eviscerated one of the main enforcement provisions and, in *Brakebill v. Jaeger* (2018), has greenlit restrictions that make it more difficult for Native Americans to vote. Unlike any other advanced democracy, we continue to deny voting rights to our federal district and overseas territories—areas that are overwhelmingly nonwhite. While other countries extend dedicated representation or special voting rights in national elections to indigenous groups, national diasporas living abroad, and even noncitizen residents, the US does none of these.

Voting rights groups such as Fair Fight Action, through voter education, vote-by-mail programs, and election reform lobbying, among other initiatives, are working to ensure that every American's voice matters—and policymakers are beginning to listen. Members of Congress have introduced HR 1, which addresses many urgent reforms, including restoring the 1965 Voting Rights Act, instituting automatic voter registration, and ensuring that House seats are not unfairly gerrymandered. Policymakers should extend this initiative to include a recent proposal by Washington, DC councilmembers and lower the voting age in federal elections to 16. If young people under 18 can drive and enlist in the military, they deserve a voice in our nation's affairs—especially since so many of the agenda items Congress is failing to act on (e.g., the climate crisis) will disproportionately impact them.

Ensure Inclusive Democracy

The core promise of democracy is that everyone has an equal vote and the majority rules. Many influential institutions in the US, however, are deeply counter-majoritarian. Either in design or in practice, they inflate the weight of the few and deflate the power of the many. Any response to the most important crises of our time—including the affordability crisis (from health care to housing to higher education) and climate change—will require structural reforms to move us toward true democracy.

Today's broken democracy is not a new problem. America's founding generation made a series of compromises to maintain an alliance of Southern slaveholders and Northern business interests. For example, the US Constitution gave two senators to each state regardless of population. The founders' vision, however, was more democratic than the precedents that they experienced, including monarchy rule in England and especially the workings of the European continent, where despots, judges lacking independence from executives, and unelected aristocratic rule were the norms. However, seen through the lens of democratic practice in the 21st century, the US now trails its counterparts. The structure of the Senate, for example, prevents it from acting on the political will of black and brown urban majorities and allows outsized power to small, majority white states. No advanced democracy comes anywhere close to giving so much disproportionate influence to its so-called "upper chamber" or its least populated areas.

Any response to the most important crises of our time—including the affordability crisis (from health care to housing to higher education) and climate change—will require structural reforms to move us toward true democracy.

Restore the legitimacy of the Supreme Court.

While SCOTUS makes policy decisions that affect all Americans, four out of five members of its conservative majority were nominated by presidents who assumed office despite losing the popular vote. Two members of the majority were confirmed despite serious sexual assault or harassment allegations made by women—who, collectively, make up the majority of the population. Social science research has shown that the Roberts Court is the most pro-business, anti-worker, anti-consumer court in modern history. And a conservative member of the majority were swept into office only after the Senate acted against the spirit of the Constitution and denied President Barack Obama's appointment.

Options for restoring the legitimacy of the court include expanding the bench of SCOTUS, changing the jurisdiction of the court, and amending the Constitution to allow term limits or election of justices. None of these are politically simple, and all have trade-offs, but it is important to remember that the size and governance of our court system is structured by a set of rules that we can revisit—and have often in the past—if they are yielding biased outcome (Tucker 2018c). Longer term, the US should learn from the other advanced democracies that remove issues like labor unionization from the main judicial system and create a specialized body staffed in part by union lawyers. This model could be extended to other areas of vital interest to the economic majority, such as emergency action to fight climate change.

Provide full representation for all Americans in the Senate.

The ongoing debate about full representation is whether the Constitution enshrines a bias against the nonwhite *minority*. In the decades to come, however, the US is in danger of locking out a nonwhite *majority*. As documented in a recent Roosevelt Institute paper (Tucker 2019), the Senate fails to represent the American people on a one-person, one-vote basis, and it gives outsized representation to rich and white Americans while comprising senators who are disproportionately richer, whiter, and more male than the population as a whole.

Additionally, nearly 6 million Americans in Washington, DC, Puerto Rico, and other US overseas territories (American Samoa, Guam, Northern Mariana Islands, and the US Virgin Islands) lack congressional representation. Either by granting statehood or enacting a constitutional amendment, these regions should be given congressional representation. Additionally, the US should begin the process of making amends for its tribal treaty violations and create at-large House and Senate seats for Native Americans. Finally, obvious structural reforms to the most counter-majoritarian Senate practices should be promptly enacted, including the elimination of the filibuster, which allows one senator to halt needed legislation.

Democratize international rule-making.

Today, international agreements are negotiated by and for multinational corporations and investors. Rather than allowing such a limited set of stakeholders to continue crafting deals that primarily protect their own interests, we can create a system whereby a much broader set of stakeholders—who truly represent the public—have agency in global governance. A first step would be to allow public interest groups, such as labor groups and advocacy organizations, to sue governments in international courts, where currently only multinational firms can bring cases. Further, policymakers can revise previous trade agreements to remove rules constraining public interest regulation. More broadly, we can use international agreements to enforce public interest goals, such as requiring trading partners to commit to higher taxes on the wealthy or incentivizing cooperation on urgent global issues, such as climate change and human rights (Tucker 2018b).

Reimagine What Public Power Can Do

Policy solutions to revive the government's power, as discussed above, can go a long way toward taming the top of our economy *and* building a more inclusive democracy. However, creating a strong and growing society—one in which we all can expect our basic needs to be met and have the opportunity to prosper and thrive–will require us to reimagine what public power can do.

The biggest barrier to using public power to improve Americans' daily lives is our country's overwhelming emphasis on market-based solutions. In order to reimagine public power, we must first understand that the constraints that market-centric proponents have placed on government over the last 50 years—that government is ineffective and that its interventions are too costly—are false.

Here, we illustrate the artificial constraints that have been placed on public power. We argue that generalizations about government inefficiency and ineffectiveness are overblown while the negative consequences of market-based solutions are too often overlooked. Next, we show that direct public provision can not only more effectively deliver on certain goals, but it can also do so in ways that both directly address race- and gender-based inequality and curb extractive behavior by private actors. We argue that direct public provision should be deployed in the service of providing universal access to essential goods and services and in the service of transformative economic investment. Finally, we demonstrate that government has the capacity to finance much more than we have been led to believe. We will offer a new approach to government finance that combines low-interest debt, targeted tax policy, and a broad-based tax code and show that our prescribed financing scheme is not only possible but politically advantageous.

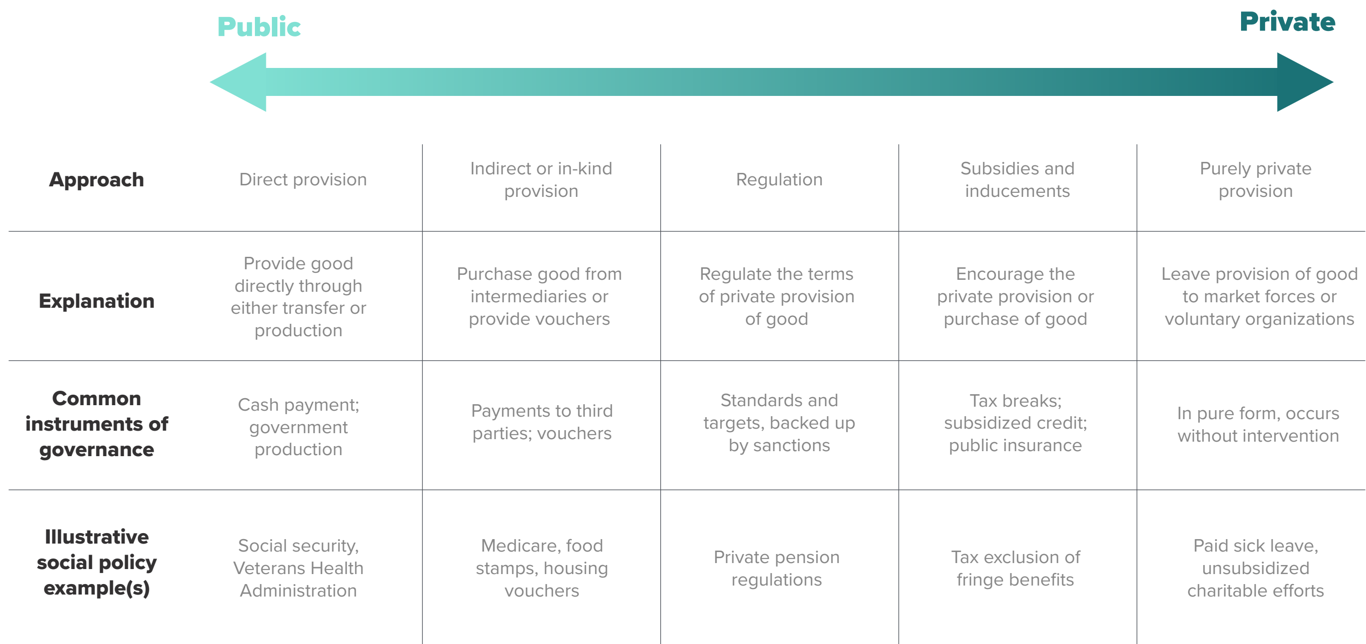
The Artificial Constraints on Government

As Section I describes, decades of policymaking built on anti-government, pro-markets rhetoric resulted in concentrated power in the private sector and the atrophy, marketization, and misuse of public power—each of which reinforced the other. The consequences for the public sector have been the erosion of existing public programs and a hobbling of the very set of tools that Americans believe are available for making change. In short, America has left a powerful government tool on the sidelines: direct public provision of goods and services.

In order to reimagine public power, we must first understand that the constraints that market-centric proponents have placed on government over the last 50 years—that government is ineffective and that its interventions are too costly—are false.

Political scientist Jacob Hacker has identified a broad set of tools that can be at the government's disposal. Hacker places these tools on a spectrum ranging from the most "private" (leaving the private sector largely intact) to the most "public" (Hacker 2002). On the private end are free markets, which are a government choice. Next are subsidies or other inducements toward the private provision of a good or service, followed by regulation of the terms of provision. On the more public end of the spectrum are indirect or "in-kind" provision, in which government purchases a good from a private party or provides a voucher. Finally, there is direct public provision, in which government directly provides a good or service to the public.

FIGURE 7:
THE CONTINUUM OF SOCIAL POLICY APPROACHES



Approach	Direct provision	Indirect or in-kind provision	Regulation	Subsidies and inducements	Purely private provision
Explanation	Provide good directly through either transfer or production	Purchase good from intermediaries or provide vouchers	Regulate the terms of private provision of good	Encourage the private provision or purchase of good	Leave provision of good to market forces or voluntary organizations
Common instruments of governance	Cash payment; government production	Payments to third parties; vouchers	Standards and targets, backed up by sanctions	Tax breaks; subsidized credit; public insurance	In pure form, occurs without intervention
Illustrative social policy example(s)	Social security, Veterans Health Administration	Medicare, food stamps, housing vouchers	Private pension regulations	Tax exclusion of fringe benefits	Paid sick leave, unsubsidized charitable efforts

Source: Hacker 2002.

Over the last several decades, policymaking in the United States has leaned decidedly toward the private end of Hacker's spectrum, which has resulted in economic insecurity and what Hacker calls "a great risk shift" of social insurance from government and corporate entities to private individuals. The prevailing wisdom of the last 50 years that dictated that markets could meet most of our needs, and ultimately determined when to deploy government funds to achieve social goals, limited choices about both *when* and *how* government intervened in markets. Policymakers narrowed government's tool box to subsidies, contracts, vouchers, tax expenditures, and other market tweaks, so that the state could behave more like markets, regardless of whether they worked in the first place (Mettler 2011a; Hacker 2002).

WHY MARKET-BASED INTERVENTIONS FAIL

Decades of market-based policy interventions have provided ample evidence that such interventions often fail to achieve their stated goals and have negative consequences for individuals, communities, and our economy. These interventions fail in predictable ways: by excluding those who cannot afford to participate, extracting corporate resources to maximize profits, reinforcing discrimination on socially stigmatized and politically vulnerable groups, not containing costs, and failing to account for quality. Further, market-based policy interventions like vouchers or tax expenditures often include direct subsidies to a corporate class that was already exerting economic might in the market, with no guarantees that adequate access and quality would be offered to the intended beneficiaries in the first place.

For the most part, market-oriented solutions have fallen short on achieving the results that are necessary to build a more inclusive economy because markets are agnostic to achieving collective goals that are often at the heart of government programs, such as universal access, fair pricing, and equitable outcomes (Sitaraman and Alstott forthcoming). When it comes to producing economic investments necessary for Americans to live dignified and fulfilling lives, the profit motive—and in many cases, the fiduciary responsibility to maximize profits for their shareholders—often leads to principal-agent and moral hazard problems, not to mention plain-old moral dilemmas. As such, achieving public goals through regulation or subsidization of markets can entail forecasting and intensify opportunities for rent-seeking and extraction. Again, these problems are exacerbated in the case of truly essential goods and services, as their importance to individual livelihood creates a power dynamic that leaves consumers vulnerable to the price-raising whim of profit maximizing firms.

These interventions fail in predictable ways: by excluding those who cannot afford to participate, extracting corporate resources to maximize profits, reinforcing discrimination on socially stigmatized and politically vulnerable groups, not containing costs, and failing to account for quality.

As explored in Section I, market-based incentives make it particularly difficult to produce universal access to high-quality services through interventions, including regulation, subsidies, vouchers, and tax credits. The information and resources necessary to navigate these market solutions (e.g., the wide range of college savings plans) benefit those already well off who are able to best take advantage of them (Konczal 2012).

Further, subsidies, vouchers, and other market-centric solutions fail to fundamentally alter the power dynamics in markets that drive limited access and inadequate provision. For example, in a monopolized market where prices are artificially high, subsidies will be used to further inflate provider profits. Where discrimination is rife, subsidies do not expand access. For example, in New York City, Section 8 voucher recipients who are disproportionately black are disadvantaged by public housing and market discrimination when trying to negotiate in a tight housing market with biased landlords (Smith 2015).

Rahman (2017c) describes how illusions of government's limited financing capacities and poor management abilities become self-fulfilling stories of government corruption:

> **"After initial pressures to cut taxes, local and state governments have been starved of revenue, which leads to declining budgets. This creates a justification for cutting services and outsourcing them to private contractors. Increasingly, these goods and services are also financialized—transferred to private equity investors who operate the services for profit—such as water in Flint, Michigan, or the private equity takeover of New York City's ambulance services."**

Despite the fact that market-centric policy solutions often fail, we continue to employ them, in part, because the CEOs and shareholders who stand to benefit from market-based interventions have an outsized say in government decisions. Additionally, plenty of Americans who have little to gain from marketized policymaking still balk at the notion of expanding government power. As previously discussed, this boils down to two arguments that are routinely raised to shut down the possibility of direct public provisioning: First, government is ineffective and inefficient; second, even if public provisioning were the ideal solution, we cannot afford it. Like many of the other narratives that helped support the rise of markets and corporate power, these arguments simply are not true. Government has many unique advantages, both in financing and in mobilizing real resources, that make the question of "How do we pay for it?" an argument for an expanded—and effective—public sector rather than against it. Despite our cultural preoccupation with government balance sheets, there is ample evidence to show that the government can actually afford to make big investments in its people and achieve public goals.

Government has many unique advantages, both in financing and in mobilizing real resources, that make the question of "How do we pay for it?" an argument for an expanded—and effective—public sector rather than against it.

Government Can Do Some Things Better than the Private Sector

When public power is used to serve ordinary Americans, it can counter skewed power dynamics in markets, provide universal access to goods and services, and harness our national potential toward broadly shared economic growth. *This* is government's strength.

It's important to note that the federal government's financing capacity is essential to this strength and far surpasses the rhetorical constraints that policymakers and the public have adopted in recent decades.[13] This funding capacity gives the government a number of advantages. First, it allows us to invest in long-term goals, such as basic scientific research or investment in human potential, without the shortsighted focus of quarterly earnings constraints. It also allows us to invest in high start-up cost ventures that could be insurmountable for private sector providers, like infrastructure.

Unlike private, for-profit providers, public interventions can be built around specific goals without those goals having to be subservient to the profit motive. Government can design interventions specifically to increase competition, to ensure the standardization of a particular good or service, to create a floor for quality, or to achieve other societal goals. In some cases, these goals can even be enshrined into legal rights that offer citizens more agency in enforcing them. The government's ability to take on racial and gender-based inequality is a key example here. Where markets reinforce societal power dynamics, including those affecting stigmatized and marginalized groups, government can use both its coercive powers and the power of the purse to alter those dynamics.

Whether deployed by corporations or by government, power can always be dangerous. Public power, however, can be preserved through inclusive and just democratic institutions. In areas like criminal justice, democratic accountability is of the utmost importance, but it matters in other sectors, too. For example, private data collection by the government presents opportunities for abuse of power or violations of public trust; robust democratic oversight is key to addressing and heading off problems.

Finally, the coercive power of government can be a strength, though it's one that must be paired with strong democratic accountability to ensure judicious application. For example, government's ability to require participation in a particular program or service (e.g., compulsory vaccination) can be a benefit in and of itself, or government can facilitate the effective provision of services, particularly those with network effects, such as health insurance. Further, government can force the standardization of a floor for the quality of goods and services. We can think of a floor through regulation in food safety: The public does not need all cookies to be made the same way, but it does have an interest in setting a floor for health and safety standards above which cookie production must rise.

Guiding Principles for When and How to Deploy Public Power

Policymakers should deploy the power of the government, through direct public provision, with two key goals at the forefront of a new progressive worldview: universal access to goods and services and transformative investment in the pursuit of national goals. To effectively serve these goals, policymakers must rectify the underlying power dynamics capable of countering the concentration of corporate power and commit to undoing race and gender inequality.

The benefits of government power and public provision that we outline in this report must be deployed in inclusive ways that are conscious of race, gender and gender identity, sexual orientation, and physical ability.

13 The mechanisms for achieving public financing will be discussed in-depth in the following subsection.

Throughout our past and in the present, the concept of public power in America has raised the question of who's included (Rahman 2017b). Through implicit and explicit rules that excluded people of color, access to public goods and the benefits of public investment have historically been out of reach for too many. The unequal investments and outcomes in our "public" K-12 system provide just one example of how government power has been confined and configured to entrench privilege. Even when attempting to provide universal access, government policy has failed to correct for the structural exclusions that face women, black and brown Americans, the LGBTQ community, and people with disabilities. These failings may deter many citizens from advocating for an expansion of government provision, but we must be clear that these failings were not inevitable.

The benefits of government power and public provision that we outline in this report must be deployed in inclusive ways that are conscious of race, gender and gender identity, sexual orientation, and physical ability.

Ensure Universal Access to Essential Goods and Services

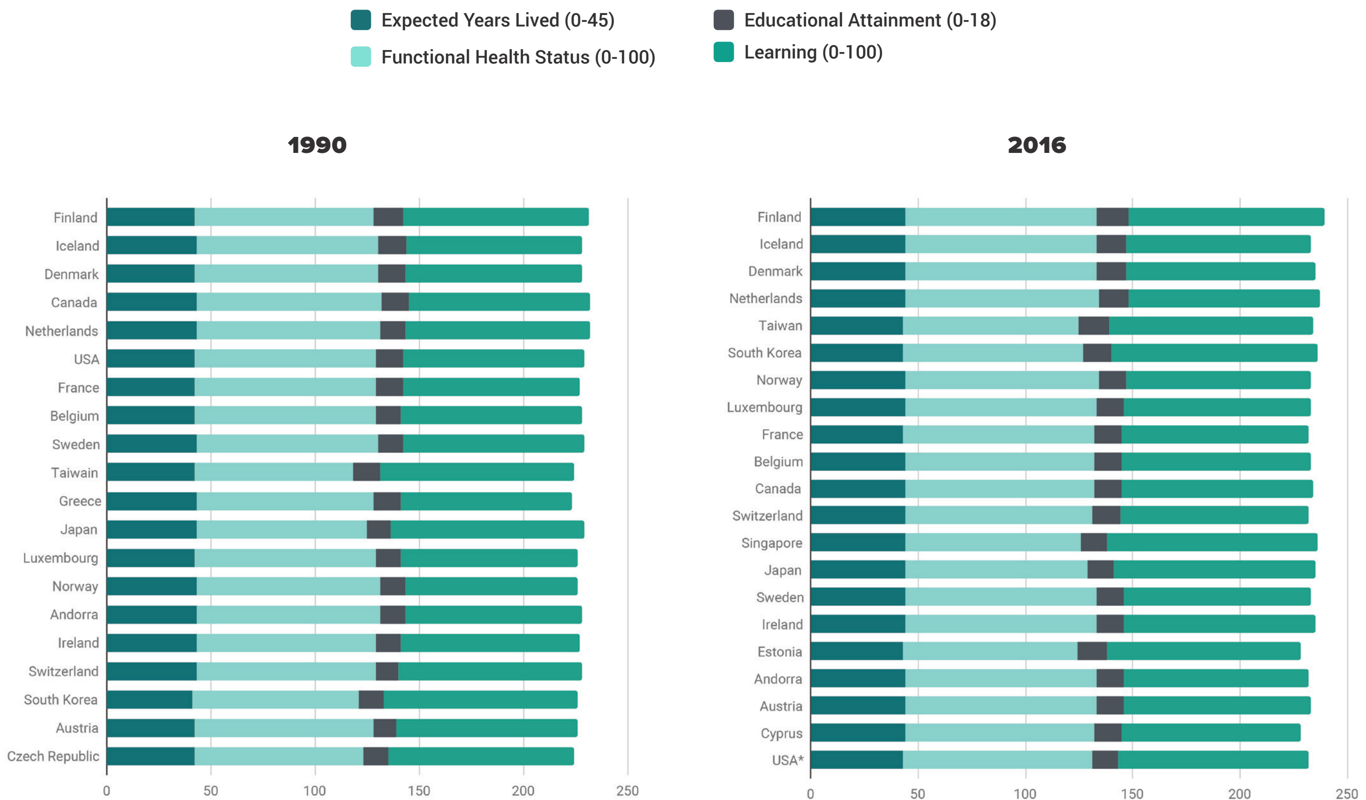
Government should ensure inclusive and universal access to certain goods or services. Public provision, executed with attention to underlying market dynamics and the landscape of race and gender inequality, should be the default mechanism for providing goods and services that are essential for human dignity and agency, such as access to housing, health care, and banking. Direct public provision is essential in cases where the public has a strong interest in universal access and private sector providers can exert market power over those seeking access.

There are economic justifications for using government power to provide essential goods and services. A vast literature outlines the economic benefits of providing individuals with a baseline level of services that include childcare, early education, and pensions. Most notably, increased investments in people work to increase economic productivity overall. For example, Isabel V. Sawhill, Jeffrey Tebbs, and William T. Dickens (2006) estimate that providing 3-to-4-years-olds with quality pre-kindergarten opportunities would grow GDP by an additional 3.5 percent over 75 years. Additionally, when it comes to investing in people, the US falls way short, particularly when compared to the rest of the world. On one measure of human capital, which combines educational attainment, quality of education, and quality of health and mortality rates, the US has fallen 21 spots from 6th place globally in 1990 to 27th place in 2016 (Lim et al. 2018). A second set of calculations demonstrates the cost-saving benefits of publicly financing universal access. For example, researchers calculate that upfront investments in basic services reduce longer-term public liabilities (Washington State Institute for Public Policy 2013).

FIGURE 8:

THE UNITED STATES IS FALLING BEHIND ON HUMAN CAPITAL

Global rankings on human capital in 1990 and 2016, listed in order of human capital ranking.



*USA human capital ranking is 27. **Source:** Lim et al. (2018); Lancet (2018).

Economic arguments can only carry the logic for public power so far. This is when morality and democracy-based arguments become important. Seen only through an economic lens, it may not be economically efficient to provide access to that last, hard-to-reach individual—a kind of "last-mile problem" for our policy design. But for basic human needs, we must move beyond the last mile, and so we turn to a rights argument. Some researchers are working to advance an economic bill of rights (Hamilton 2017; Paul, Darity, and Hamilton 2018a), outlining what they see as essential components of a foundation that human beings need to thrive and be free. Examples of these rights include the right of every family to a decent home, the right to achieve and enjoy good health, and the right to a safe and clean environment. As President Franklin D. Roosevelt argued in his call for an expansion of the original Bill of Rights, access to essential services provides the foundation for freedom and ultimately the preservation of democracy.

As our collective understanding of what is necessary for Americans to thrive in health and fully participate in our economy changes, the specific goods and services that ought to be universally accessible can and should change over time, too. For example, present-day services like broadband internet were not considered essential decades ago; but of course today, access to the internet is a necessary precursor to economic participation and security (Mabud and Seitz-Brown 2017). Inclusive democratic deliberation, moral discussion, and empirical research are therefore critical to identifying and institutionalizing these guarantees.

From a public option that exists alongside private sector providers to public provision that excludes other market participants, public power can take many different forms. A forthcoming report (Darity, Hamilton, and Mabud 2019) makes the case that public options are an effective tool for ensuring access, quantity, and quality of goods and services and also in promoting competition in markets. The public production of a particular good or service gives the government control over quality, quantity, and pricing, which when designed to operate alongside private providers, can serve as the option that shapes the rest of the market by ensuring a base level of quality, quantity, and access. In essence, if firms want to participate in a market that offers a public option, they must do so by providing products and services that are at least as desirable to consumers as what the government provides. Public options can represent a fundamental shift in power dynamics away from exploitation and extraction and toward people.

Economic arguments can only carry the logic for public power so far. This is when morality and democracy-based arguments become important.

This ability to structure positive market-wide outcomes is a clear benefit of using public options over subsidies in markets where suppliers exert power. Mason (2010) describes how public investment in universities can increase supply, bringing down prices in both public and private colleges (as compared with subsidies that may simply bid up prices in public and private colleges). Similarly, Darity, Hamilton, and Mabud (forthcoming) describe how public options can bid up the quality of services and ensure universal access; moreover, this approach curbs the power of firms to exploit. In the case of public banking, for example, universal access to basic account services will induce private providers to offer better than basic accounts in order to compete in the financial services industry (Paul and Herndon 2018). The fact that the public provision of basic financial services might crowd out predatory private providers is not a bug but a feature of the design. In essence, public options discipline markets to ensure access, quality, and quantity of essential goods and services.

Exclusive public provisioning stands in contrast to public options. The circumstances for exclusive provisioning are likely narrower than they are for public options. In general, however, exclusive provisioning makes sense where private sector participation would seriously undermine the effectiveness of public provision. For example, this may be the case for programs where network effects matter to the quality or sustainability of a government program such as in social insurance-style benefits. Finally, public provision can be used in targeted ways that are not necessarily aimed at affecting market competition but are more directly aimed at ensuring access for underserved communities. Provision of public housing is a good example of this.

Public options can represent a fundamental shift in power dynamics away from exploitation and extraction and toward people.

It bears emphasizing that we advocate greater use of public provisioning, but not the exclusive use of it. There will, of course, be instances where other tools in the public power toolbox make more sense. In the case of universal access, public provision should be the presumptive solution over market-based interventions.

PROVIDING UNIVERSAL ACCESS IN PRACTICE

Here, we consider how public power can correct for market failures. This is not an exhaustive list, but health care, higher education, and childcare provide important insight.

Health Care

Both because of the nature of the health care market (e.g., adverse selection issues) and the American experience with marketized health care (i.e., the repeated failure of subsidies to hold down costs), direct public provision of health insurance is essential. Subsidizing the purchase of private health insurance will continue to entrench private power and fail to curb it effectively. Removing profit motive and scaling provision will not only allow for universal access but will also rein in prices. Analyses of both public options and single payer proposals show that public provision can reduce costs (Blahous 2018). Importantly, it's crucial to ensure that the inclusive provision of health care goes beyond the public provision of health insurance and should include more public approaches to the provision of service and care, including public hospitals and clinics, drug manufacturing, and biomedical research.

Higher Education

Similarly, universal access to free higher education should be the goal, and the path we take to get there should focus on reforming public higher education into a true public option. This means expanding public investments (both state and federal) in public institutions. It also means setting up a more explicit set of expectations on how we define "public" institutions, including who the institutions serve, how they are funded, and the quality of the education provided. In particular, race-conscious universal access requires that these investments include institutions that predominately serve and are managed by people of color, and that it excludes institutions that have admissions or other policies that reinforce racial disparities. Public investment in historically black colleges and universities and tribal colleges and universities should be included in this category.

Housing

Policymakers across the country are struggling to solve America's affordable housing problem. In tight urban-housing markets, subsidies and vouchers fail to address critical supply questions. Meanwhile, market-led efforts to increase supply often fail to provide housing for those most in need. An effort to expand affordable housing should include direct public provision. Examples of direct provision of quality public housing can be found abroad (Jha 2018), where owner-occupied subsidized housing is built by the government and specific quotas are set to ensure a more equitable distribution of public housing units.

Achieving Transformational Economic and National Goals

Government is how Americans come together to address the challenges that we cannot overcome as individuals—challenges that the market simply cannot address and often exacerbates. Government power is especially necessary when collective goals are complex in nature: those with long time horizons, those that require structural changes to the economy and society, those with hard-to-measure outcomes, and those that require economy-wide coordination to achieve. Even in our contemporary atrophied view of public power, we have a mostly shared understanding that government has a role in building basic infrastructure and funding scientific research. But our country's history shows that a new progressive worldview can be far broader than that: We can use robust government intervention to drive toward key public goals.

Transformative action and change carry both moral and empirical benefits. First, the moral argument: We need not cede the contours of our society to amoral market forces. Through deliberate and democratic processes, the American people can determine the kind of society that we all want to live in and the goals that we choose to achieve together. For example, one can argue that we have a collective obligation to raise the low wages of care workers whose labor benefits all of society. We also have a collective obligation to address the existential threat of climate change and the immoral toxicity of entrenched racism.

Second, the economic benefits of transformational government power are equally clear. Constructed by President Dwight D. Eisenhower, the Interstate Highway System was conceived in part to achieve national security goals, but it also drastically lowered costs and was responsible for 31 percent of the increase in US productivity in the 1950s (Nadiri and Mamuneas 1996). In the 1930s, the Tennessee Valley Authority (TVA) brought publicly generated power and electricity and successfully aided economic development and created jobs in the rural south—notably black Americans were largely excluded from these benefits. Further, in *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, economist Mariana Mazzucato (2013) illustrates that through funding and research, the US government helped bring about important technologies, such as internet search, GPS, and voice recognition.

We need not cede the contours of our society to amoral market forces. Through deliberate and democratic processes, the American people can determine the kind of society that we all want to live in and the goals that we choose to achieve together.

Markets will rarely account for these kinds of spillover benefits, but public provision has proven essential to our long-term competitiveness and viability. Eighty years after the TVA was founded, Lazard Frères, a financial advisory firm, argued against its privatization, noting: “It is unclear how TVA’s nonpower mission and activities would logically fit within a divested TVA structure—any reductions in the scope of the nonpower mission and activities could potentially have a negative impact on the region” (Kranzler 2016).

At a basic level, our country’s failure to achieve broad-based national goals is an implicit indictment of a market-based approach. Markets have not addressed climate change, effectively transitioned the country from a manufacturing economy, or even maintained our crumbling infrastructure. We can also see the failure of marketized government as a solution to meeting transformational needs. For example, in recent debates over the US steel industry, numerous commentators have defended tariffs on steel imports, arguing that they are necessary in order to preserve an industry essential to domestic competitiveness and national security as well as the jobs associated with it. Tucker (2018c) has demonstrated that in using tariffs to elevate prices, the government chose a blunt tool that carried the potential to enrich steel shareholders without ensuring any benefits were passed along to workers. In fact, tariffs have increased steel profits, but workers don’t seem to be benefiting in the form of higher wages or more jobs (Aeppel 2018; Stein 2018). Further, costs have risen for downstream producers. Nationalization of the steel industry would have allowed us to preserve an essential industrial function, support workers, and keep steel prices low.

ACHIEVING TRANSFORMATIVE GOALS IN PRACTICE

Here, we illustrate the importance of this approach through two examples: climate change and 21st century jobs.

Climate Change

When it comes to climate change, our driving—and desperately needed—goal has been determined by nature: We must turn the tide on carbon emissions drastically and urgently. A market-based approach that exclusively relies on regulation and taxes will neither achieve this goal, nor will it smooth the transition from a fossil fuel economy for vulnerable workers, consumers, and communities. Direct government intervention that shifts labor and capital toward carbon-neutral or carbon-reducing industries will be essential. Evidence from our wartime history, when such transformations have occurred, and from more recent research (Pollin, Garrett-Peltier, and Wicks-Lim 2017) indicate that direct government investment can achieve our social goals and create new jobs.

21ST Century Jobs

The federal government can also deploy transformative investment and coordination to create 21st century jobs that meet 21st century challenges. The failure of corporate tax credits to stimulate investment or develop high-road employment—jobs with employers who prioritize their employees, their communities, and the services they provide—for the modern era exemplifies the problems with a markets-first approach. Race- and gender-conscious industrial policy could create jobs without relying on market whims. Consistent with this would be a federal jobs guarantee (FJG) to deliver that policy. A FJG would be a direct source of jobs unleashed with public power to literally end involuntary unemployment and working poverty altogether. It is not an "employer of last resort" but rather a viable alternative to undesirable low-wage private sector work, particularly for workers who are vulnerable to labor market discrimination because of their socially stigmatized identity. It would offer existing workers better bargaining power to negotiate higher wages, benefits, and working conditions. A feature of the program is that it would structurally change the US economy away from low-wage work and toward more moderate- and high-wage jobs. It would provide the best buffer against employment transitions due to worker displacement from automation and technological change (Paul, Darity, and Hamilton 2018; Paul, Darity, Hamilton, and Zaw 2018b).

Resources Are Not an Obstacle: A New Approach to Government Finance[14]

From unaffordable housing and extreme inequality to the existential crisis of climate change, the US faces many urgent problems that call for a larger, more active public sector. Any proposal for substantially expanded public power raises an inevitable question: How do we pay for it? First, it bears noting that government intervention is often not generating new costs but shifting them away from individuals and on to the public. For many Americans, it is costlier to *not* engage in public provisioning.

As a practical matter, understanding the potential of public finance is crucial. J.W. Mason (2019) has outlined three important insights that would allow the United States to finance a much more robust public sector. First, we have a lot of room to finance investments through debt, more so than policymakers currently understand. Second, we have a much larger capacity to raise revenue than is commonly believed. Third, slack remains in our economy, and government spending can increase growth.

People often compare the government budget to a household or business, but this is fundamentally misleading. The US debt is the safest, most liquid asset in the world, meaning that our government borrows on the most favorable possible terms (Mason 2019).

14 For a more in-depth discussion on why resources are not an obstacle to achieving public power, see Mason (2019).

Additionally, unlike households and businesses, governments don't depend on voluntary market transactions for income but can compel payments through the power to tax. Furthermore, the US federal government produces the money with which payments are made, and it issues the global currency used for international transactions and foreign exchange reserves by the rest of the world. One concern unique to government spending might be resource constraints—whether there is enough capital and labor sitting on the sidelines or whether public spending will "crowd out" private spending—but despite official statistics, the economy is operating below potential.

More debt is not necessarily bad.

First, investments in our country can and should be publicly funded. Average interest rates have been consistently lower than GDP growth over the past 25 years, and financial markets predict that this favorable situation will continue. In our low-interest economy, the debt ratio is much more stable and sustainable, which means there is little possibility that debt-to-GDP ratios will snowball (Mason 2019). As previously noted, the implications of low interest rates for higher public debt have been widely noted by economists. But while an increasing number of policy-oriented macroeconomists agree that the dangers of public debt have been greatly exaggerated, this new consensus has not yet reached many policymakers.

There is also increasing evidence that failure to sustain demand has long-term consequences for the macroeconomy. The experience of the past 40 to 50 years suggests that, going forward, we are much more likely to face a problem of inadequate aggregate demand and high unemployment than overheating and inflation.

Some socially beneficial taxes also raise revenue.

Tax policy is one of the most powerful tools of economic policymaking (Hamilton and Linden 2018). It can encourage or discourage certain behaviors or activities, and it can shift resources from one area of the economy or group of people to another. Tax policy can also check outsized power, or it can reinforce and amplify that power. There is a long tradition in economics of support for Pigouvian taxes, or the taxes on activities with negative externalities (i.e., activities that impose costs on the rest of society, such as levies for pollution or wealth hoarding); and many of these taxes are outlined earlier in this report. We can promote progressive tax policies—like those on carbon emissions and on concentrations of income and wealth—because they're socially beneficial. But also, they have the added benefit of raising revenue.

A 2 percent wealth tax on assets above $50 million and 3 percent on assets over $1 billion could raise an estimated $300 billion per year (Zucman 2019). A financial-transactions tax (FTT) is also easily justified on Pigouvian grounds, given the immense costs imposed on society by financial instability and crises. An FTT of 0.5 percent on stock and bond transactions and 0.05 percent on derivatives could raise another $200 billion (Pollin et al. 2018). These taxes would finance a substantial expansion of the public sector. More importantly, they are capable of safeguarding democracy against the outsized power of the wealthiest and fostering a more inclusive, egalitarian society.

There is slack in our economy.

Finally, there is a strong macroeconomic rationale for higher spending on publicly powered projects: There is good reason to believe that the economy is still operating well below any reasonable measure of full employment or potential output (Mason 2019). Labor's share of income remains well below that of a decade ago, and it is even further below the share in the year 2000 (St. Louis FRED 2016). This implies that, despite official statistics showing a low unemployment rate and high job-vacancy rate, labor is still abundant enough for workers' bargaining position to be relatively weak vis-à-vis their employers. Finally, the fact that inflation remains subdued is a strong sign that the economy is still operating below capacity. This implies that, despite the low official unemployment rate, a program of expanded public employment could mobilize currently underutilized labor rather than bidding workers away from private businesses. Therefore, an expansion of the public sector does not require withdrawing resources from the private sector.

These arguments are linked by a common thread: The public sector not only has unique advantages in providing many goods and services, but it also has unique advantages in paying for them. With its status as a safe borrower, its power to tax, and its long horizons, the federal government can raise funds on more favorable terms than any private sector entity. Unlike private actors, it can also weigh the social impact of its financing decisions. A progressive tax code can both discourage socially costly activities and raise revenue. And borrowing can stimulate demand and help moderate future recessions, in addition to being a source of finance for public programs.

The public sector not only has unique advantages in providing many goods and services, but it also has unique advantages in paying for them.

SECTION III

Conclusion

Section I described the failure of a skewed agenda that guided politics and policymaking for decades. For 50 years, this agenda not only distorted policymakers' and the public's assumptions about what government can—and should—do, but it also shaped how power was distributed in our economy and democracy.

In Section II, we offered a new progressive worldview that is capable of breaking this cycle and redefining the American economy. By curbing corporate power and reviving public power—*together*—we can build an inclusive, more equitable society and future. Each policy vision explored in this report would not only improve lives but also lay the foundation for future progress. A progressive tax policy victory would curb incentives to extract funds from firms, reduce concentrations of wealth that allow billionaires to bankroll special interest candidates for office, and raise revenue for public investment and collective goals. The next battle then, whether focused on free college, health care for all, or a Green New Deal, becomes easier because there is more revenue to draw from but also because there are fewer well-funded private actors to stop it.

The resilience of the American people is reason enough to believe that this new world is within reach. Voters are showing that they will no longer be complacent about the broken power structures in our country, nor will they remain pacified by flawed stories about the benefits of markets or the ills of government. Recent elections have seen record numbers of new, younger leaders voted in to office—women, immigrants, and people of color. Black Americans and their allies have staged die-ins to demand that their humanity, rights, and bodies are respected. Teachers have gone on strike in rural and urban districts alike to demand dignity for themselves and resources for their students. And in communities and at kitchen tables around the country, regular people are having new conversations and demanding big change.

Together—as a society, armed with a progressive one-two punch—we can create a healthier economy and democracy and build the systems and institutions that are necessary to support both.

THE PROGRESSIVE ONE-TWO PUNCH IN PRACTICE

Our proposed framework can guide policymaking across issue areas. Whether it's jobs and wages, childcare, higher education, or climate change, creating bold and effective policy that doesn't inadvertently reinforce the failed approach that got us here will require directly addressing both sides of the power equation. Here, we illustrate why this progressive one-two punch—curbing corporate power and deploying public power—is most powerful in tandem.

Jobs and Wages

It is possible to achieve a different future from the insecure, low-wage job market we have today. We could see robust wage growth across many different areas of the economy and high workforce participation. By prioritizing investment in workers, R&D, and long-term growth, private sector companies would be vibrant and create new jobs. Additionally, increased worker power could ensure these were high-quality jobs. The public sector could expand employment in essential but currently neglected sectors, such as childcare and infrastructure while also ensuring that a good job is available to all who are willing and able to work. Such a future would guarantee that the dignity and income that comes with work was available to all Americans—prioritizing efforts to address the inequalities facing people of color, women, and the long-term unemployed.

In this future, we could welcome the automation of low-wage jobs in retail or fast food or the end of high-carbon-emission jobs like coal mining because higher-wage, less-dangerous jobs would be available and public initiatives would provide the skills needed so workers could transition their technical expertise (Paul 2018). Higher wages would improve workers' lives, and new investments in free childcare, universal broadband, and high-speed rail—to name just a few—would improve the lives of every household.

To get there, we need all tools in the problem-solving toolkit. We have to throw both the first and the second punch.

The First Punch: Rebalancing Private Power and Empowering Workers

Rebalancing private power in the job market will require a few different tools, but taxes are key. As explored in Section II, raising top marginal tax rates and taxing capital income would direct more resources toward investment and other productive uses, reducing the rewards for extracting more from firms to pay out shareholders and CEOs. Increased competition from more robust antitrust enforcement would also spur new firm startups, new investment, and new demand for workers. Corporate governance reform would mean that employees and firms alike would benefit from worker representation on corporate boards.

This must include empowering private sector workers—as a robust, countervailing force in the labor market. Employees would see higher wages from new (and revived) forms of collective bargaining. Rebuilding worker voice on the job, which would give employees more say over their schedules, for example, would allow them to be better family and community members at home.

The Second Punch: Public Investment in Neglected Job Sectors

Because some areas have been underserved by the private market over the last 50 years, a thriving market won't solve every labor market problem. We can, for example, use public investments to ensure that care workers—a growing segment of today's workforce that comprises people who work to raise the children of full-time working parents and who serve our elderly—earn incomes that reflect the value of what they do for society. Care workers, disproportionately women of color, could work for publicly run and publicly funded childcare centers, and the government would ensure that that these centers would pair high wages with opportunities for growth.

We could also include a broader public jobs guarantee to ensure that, regardless of market failures—such as economic shocks, poorly planned trade deals, structural discrimination—every American would have the right to a job and the income and dignity associated with work. A jobs guarantee could function as a public option that sets a baseline for benefits, compensation, and equitable practices that would shape the labor market as a whole (Paul, Darity, and Hamilton 2018).

Public Higher Education

The one-two punch can also help us build a better higher education system. Every student graduating from high school—regardless of family wealth, geography, or race—would know that they can go to college. They could choose from a web of publicly funded institutions, which would range from vocational training on up to four-year colleges and universities.

The First Punch: Build Worker Power, Dismantle the Influence of Industry Insiders

Higher education illustrates how policy wins in some areas can build a foundation for successes in others. The same policies that help address power imbalances in the labor market and strengthen workers' ability to negotiate can also ensure that students are compensated for attaining higher levels of learning upon graduation. Job market reforms will make sure that the time and effort spent to gain an edge actually pays off. Democracy reforms that curb the influence of money in policymaking and politics will ensure that the Department of Education, for instance, would prioritize students' needs over well-connected industry participants like loan servicers. Policies that upend shareholder primacy, stock buybacks, and other incentives for extracting profits over investing in businesses would change the calculus for proprietary education providers.

Government can also address the particular ways that corporate power exhibits in the higher education sector itself. For example, government can and should better regulate predatory financial products that are marketed toward college students, such as private student loans and income-sharing agreements. The providers of these financial products often exploit students' lack of information and need for financial resources by including terms that are stacked against borrowers, including high interest rates or draconian punishments for default. Further, financial institutions have corrupted public power to facilitate this exploitation by carving out exceptions from bankruptcy protections specifically for education finance products.

The Second Punch: Putting the "Public" Back in Public Higher Education

Instead of funding a web of vouchers, grants, and loans that support providers of all sorts, the federal government would view its role as providing a public option that disciplines the market by providing high-quality college options on an equitable basis to everyone who wants to be a student. This would require identifying a set of institutions that genuinely qualify to be designated as "public," based on their sources of funding, policies, practices, and student populations, as well as directing funding toward these institutions. It would also mean using federal funding as a lever to ensure appropriate state contributions. Congress could eschew the deeply flawed wisdom of the past several decades that says that government should not have a hand in pricing or quality considerations. A public system must meet public goals, which means that more robust government power could set expectations for price and quality and guarantee racial and income-based inclusion.

Even a small start in this direction could be transformational. Moving toward public provisioning in minor aspects of higher education policy can eliminate extraction by private actors and reclaim public functions that have been outsourced, starting with student loan servicing. Government can—and does—perform the same tasks as private sector servicers, but it does so with greater democratic accountability and better results. Gatekeeping for the quality of schools that access federal financial aid programs has been outsourced to accrediting agencies, but these agencies have been captured by private interests and are rife with conflicts of interest (Margetta Morgan 2011; Waldman 2016). Instead of ceding accreditation to private actors, the federal government can form committees that are comprised of truly independent academic experts and government officials with limited responsibility over legal, administrative, and financial concerns. These committees would preserve academic freedom while guaranteeing transparency and accountability to the public, and they would also be free from compromising industry ties.

In this new world, students will be able to take a risk. Knowing that they need not fear one misstep leads to a lifetime of debt with no ability to pay it off, students can pursue the next level of learning, reach for something more challenging, and maybe move to a new city for a job. Graduates can buy houses or apartments, start businesses, build retirement savings, and enhance their own economic security—as well as the nation's. The United States can once again drive investment and productivity growth with a highly educated and more economically free workforce.

The examples outlined above illustrate both the clear nature of our worldview and its complexities. Structural changes to the economy and American politics can be clearly identified and have a substantial impact, but expressions of concentrated corporate power vary by sector and must be addressed individually. Additionally, the appropriate deployment of public power is deeply connected to how the public views particular goods and services, but it also depends on the context of a particular market and the distribution of power within it.

Specific policy issues must be addressed by the correct combination of public and private intervention and overseen by a deliberate and democratic process. Overall, we cannot make real progress toward addressing the devastation of multiple inequalities—economic and social—if we don't uproot and reshape the power dynamics that underlie our economy and politics. Policymakers cannot continue to fight every policy battle in a silo, nor can they continue to pretend to solve our problems with tools that further embolden corporations and stifle government. Finally, we cannot revive public power without detaching the corrupted hands that currently control the levers of government.

The task ahead is large, but it's not impossible. Progressives who are willing to punch back at 50 years of distorted policy choices have empirics, morality, and the power of the American people on their side. We are at a rare moment in our politics when older paradigms for how we govern our society and shape our economy no longer work, and a new worldview, though emerging, is not yet dominant. Americans are hungry for big, new ideas, and voters will reward leadership that is able to articulate those ideas clearly and put them into action. For the last 50 years, we have disinvested in public power and told ourselves that government is the problem. We know that this is wrong. We also know that government is the basis for institutions and the tangible goods that are the very fabric of our everyday lives—schools and public safety; roads and bridges; safer food and drugs; cleaner air and water.

We must remember what President Franklin D. Roosevelt told a weary and frightened nation during his second inaugural address: that government is us, our covenant with ourselves. We must bring this truth into the 21st century and build on government at all levels, using its tools more creatively. A belief in the public is an essential step toward solving our common problems and building a better future.

REFERENCES

Abdih, Yasser, and Stephan Danninger. 2017. "What Explains the Decline of the U.S. Labor Share of Income? An Analysis of State and Industry Level Data." Working Paper No. 17/167. International Monetary Fund. https://www.imf.org/en/Publications/WPIssues/2017/07/24/What-Explains-the-Decline-of-the-U-S-45086.

Abernathy, Nell, Mike Konczal, and Katy Milani. 2016. "Untamed: How to Check Corporate, Financial, and Monopoly Power." New York: Roosevelt Institute. http://rooseveltinstitute.org/untamed-how-check-corporate-financial-and-monopoly-power/.

Acharya, Sushant, Julien Bengui, Keshav Dogra, and Shu Lin Wee. 2017. "Slow Recoveries and Unemployment Traps: Monetary Policy in a Time of Hysteresis." Staff Reports 831. New York, NY: Federal Reserve Bank of New York. https://www.newyorkfed.org/research/staff_reports/sr831.html.

Admati, Anat R. 2019. "Towards a Better Financial System." Policy Brief 2. Economics for Inclusive Prosperity. https://econfip.org/policy-brief/towards-a-better-financial-system/.

Aeppel, Timothy. 2018. "Trump's Steel Tariffs Create Big Profits but Few New Jobs." *Reuters*, November 13, 2018, sec. Business News. https://www.reuters.com/article/us-usa-trade-nucor-insight-idUSKCN1NI1FC.

Andrea Flynn. 2017. "Justice Doesn't Trickle Down: How Racialized and Gender Rules Are Holding Women Back." New York: Roosevelt Institute. http://rooseveltinstitute.org/justice-doesnt-trickle-down/.

Andrias, Kate. 2016. "The New Labor Law." *Yale Law Journal* 126, no. 1 (October): 1–261. https://www.yalelawjournal.org/article/the–new–labor–law.

Andrias, Kate, and Brishen Rogers. 2018. "Rebuilding Worker Voice in Today's Economy." New York: Roosevelt Institute. http://rooseveltinstitute.org/rebuilding-worker-voice-todays-economy/.

Asante-Muhammad, Dedrick, Chuck Collins, Josh Hoxie, and Emanuel Nieves. 2016. "The Ever-Growing Gap: Failing to Address the Status Quo Will Drive the Racial Wealth Divide for Centuries to Come." Washington, DC: Institute for Policy Studies. https://ips-dc.org/report-ever-growing-gap/.

Ash, Elliott, Daniel L. Chen, and Suresh Naidu. 2018. "Ideas Have Consequences: The Impact of Law and Economics on American Justice." Working paper, preliminary version. Self-published. http://elliottash.com/wp-content/uploads/2018/08/ash-chen-naidu-2018-07-15.pdf.

Atkinson, Anthony B., and Joseph E. Stiglitz. 2015. *Lectures on Public Economics*. Princeton, NJ: Princeton University Press.

Autor, David H., David Dorn, and Gordon H. Hanson. 2016. "The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade." Working Paper no. 21906. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w21906.

Azar, José, Ioana Elena Marinescu, and Marshall Steinbaum. 2018. "Labor Market Concentration." SSRN Scholarly Paper ID 3088767. Rochester, NY: Social Science Research Network. https://papers.ssrn.com/abstract=3088767.

Azar, José, Ioana Marinescu, and Marshall Steinbaum. 2017. "Labor Market Concentration." Working Paper no. 24147. NBER Working Paper Series. National Bureau of Economic Research. https://doi.org/10.3386/w24147.

Badger, Emily. 2013. "The Dramatic Racial Bias of Subprime Lending During the Housing Boom." *CityLab*, August 16, 2013. http://www.theatlanticcities.com/housing/2013/08/blacks-really-were-targeted-bogus-loans-during-housing-boom/6559/.

Ball, Laurence M. 2009. "Hysteresis in Unemployment: Old and New Evidence." Working Paper no. 14818. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w14818.

Baptist, Edward E. 2016. *The Half Has Never Been Told: Slavery and the Making of American Capitalism*. Paperback edition. New York: Basic Books.

Barkai, Simcha. 2017. "Declining Labor and Capital Shares." PhD dissertation, Chicago, IL: University of Chicago. http://www.london.edu/faculty-and-research/academic-research/d/declining-labor-and-capital-shares.

Barrett, Philip. 2018. "Interest-Growth Differentials and Debt Limits in Advanced Economies." Working Paper no. 18/82. IMF Working Papers. New York: International Monetary Fund. https://www.imf.org/en/Publications/WP/Issues/2018/04/11/Interest-Growth-Differentials-and-Debt-Limits-in-Advanced-Economies-45794.

Batchelder, Lily. 2016. "The 'Silver Spoon' Tax: How to Strengthen Wealth Transfer Taxation." Washington Center for Equitable Growth. October 31, 2016. https://equitablegrowth.org/silver-spoon-tax/.

Becker, Gary S. 1957. *The Economics of Discrimination*. Chicago: The University of Chicago Press.

Bivens, Josh. 2012. "Public Investment: The Next 'New Thing' for Powering Economic Growth." Briefing Paper no. 338. Washington, DC: Economic Policy Institute. https://www.epi.org/publication/bp338-public-investments/.

Bivens, Josh, and Hunter Blair. 2016. "A Public Investment Agenda That Delivers the Goods for American Workers Needs to Be Long-Lived, Broad, and Subject to Democratic Oversight." Policy brief. Washington, DC: Economic Policy Institute. https://www.epi.org/publication/a-public-investment-agenda-that-delivers-the-goods-for-american-workers-needs-to-be-long-lived-broad-and-subject-to-democratic-oversight/.

Blahous, Charles. 2018. "The Costs of a National Single-Payer Healthcare System." Mercatus Working Paper. Arlington, VA: Mercatus Center at George Mason University. https://www.mercatus.org/publications/federal-fiscal-policy/costs-national-single-payer-healthcare-system.

Blanchard, Olivier. n.d. "Public Debt and Low Interest Rates." AEA Presidential Lecture delivered at the AEA Awards Ceremony and Presidential Address in Atlanta, January 5, 2019. American Economic Association. https://www.aeaweb.org/aea/2019conference/program/pdf/14020_paper_etZgfbDr.pdf.

Blumer, Herbert. 1958. "Race Prejudice as a Sense of Group Position." *Pacific Sociological Review* 1, no. 1 (Spring): 3–7. https://doi.org/10.2307/1388607.

Board of Governors of the Federal Reserve System. 2018. "Report on the Economic Well-Being of U.S. Households in 2017." Washington, DC: Board of Governors of the Federal Reserve System.

Brandeis, Louis D. 1914. O*ther People's Money, and How the Bankers Use It*. New York: Frederick A. Stokes Co.

Briggs, Laura. 2018. *How All Politics Became Reproductive Politics From Welfare Reform to Foreclosure to Trump*. 1st ed. Oakland, CA: University of California Press.

Brun, Lídia, and Ignacio González. 2017. "Tobin's Q and Inequality." *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3069980.

Carnes, Nicholas. 2013. *White-Collar Government: The Hidden Role of Class in Economic Policy Making*. Chicago Studies in American Politics. Chicago: The University of Chicago Press.

Carnes, Nicholas .2018. *The Cash Ceiling: Why Only the Rich Run for Office—and What We Can Do about It.* Princeton Studies in Political Behavior. Princeton, NJ: Princeton University Press.

Center for Responsive Politics. n.d. "Outside Spending by Disclosure, Excluding Party Committees." Center for Responsive Politics. https://www.opensecrets.org/outsidespending/disclosure.php.

Center on Budget and Policy Priorities. 2009. "Policy Basics: The Earned Income Tax Credit." Washington, DC: Center on Budget and Policy Priorities. https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit.

Chodorow, Adam. 2017. "The IRS Is Using Private Debt Collectors Again. And It May Not End Well." S*late*, April 14, 2017. https://slate.com/business/2017/04/the-irs-is-using-private-debt-collectors-again-thats-a-problem.html.

Chopra, Rohit, and Julie Margetta Morgan. 2018. "Unstacking the Deck: A New Agenda to Tame Corruption in Washington." New York: Roosevelt Institute. http://rooseveltinstitute.org/unstacking-deck/.

Clausing, Kimberly A. 2016a. "The U.S. State Experience under Formulary Apportionment: Are There Lessons for International Reform?" *National Tax Journal* 69, no. 2 (June): 353–86. https://doi.org/10.17310/ntj.2016.2.04.

Clausing, Kimberly A. 2016b. "The Effect of Profit Shifting on the Corporate Tax Base in the United States and Beyond." *National Tax Journal* 69, no. 4 (December): 905–34. https://doi.org/10.17310/ntj.2016.4.09.

Cohen, Patricia. 2018. "We All Have a Stake in the Stock Market, Right? Guess Again." *New York Times*, February 8, 2018, sec. Business. https://www.nytimes.com/2018/02/08/business/economy/stocks-economy.html.

Colicchio, Tom, and Billy Shore. 2015. "One in Six Americans Go Hungry. We Can't Succeed on an Empty Stomach." *The Guardian*, September 14, 2015, sec. Opinion. https://www.theguardian.com/commentisfree/2015/sep/14/one-in-six-americans-hungry-cant-succeed-empty-stomach.

Conesa, Juan Carlos, Sagiri Kitao, and Dirk Krueger. 2007. "Taxing Capital? Not a Bad Idea After All!" Working Paper no. 12880. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w12880.

Congressional Budget Office. 2018. "The Budget and Economic Outlook: 2018 to 2028." Washington, DC: Congressional Budget Office. https://www.cbo.gov/publication/53651.

Consumer Financial Protection Bureau. 2016. "Consumer Financial Protection Bureau: By the Numbers." Consumer Financial Protection Bureau. https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201707_cfpb_by-the-numbers.pdf.

Coppola, Frances. 2018. "Everything You've Been Told About Government Debt Is Wrong." *Forbes,* April 17, 2018. https://www.forbes.com/sites/francescoppola/2018/04/17/everything-youve-been-told-about-government-debt-is-wrong/.

Crouch, Colin. 2017. "Membership Density and Trade Union Power." *Transfer: European Review of Labour and Research* 23 (1): 47–61. https://doi.org/10.1177/1024258916673533.

Cullison, William E. 1993. "Public Investment and Economic Growth." *Federal Reserve Bank of Richmond Economic Quarterly* 79, no. 4 (Fall): 19–33.

Darity Jr., William, Darrick Hamilton, and Rakeen Mabud. Forthcoming. "Increasing the Public Presence to Increase Competition: A Foundation for a Moral Economy." New York: Roosevelt Institute.

Darity, William, Jr., and Darrick Hamilton. Forthcoming. "Increasing the Public Presence to Increase Competition: A Foundation for a Moral Economy." New York: Roosevelt Institute.

Darity, William, Jr., Darrick Hamilton, Mark Paul, Alan Aja, Anne Price, Antonio Moore, and Caterina Chiopris. 2018. "What We Get Wrong About Closing the Racial Wealth Gap." Durham, NC: Samuel DuBois Cook Center on Social Equity at Duke University; Oakland, CA: Insight Center for Community Economic Development. https://econ.duke.edu/news/what-we-get-wrong-about-closing-racial-wealth-gap.

Davis, Gerald F. 2009. *Managed by the Markets: How Finance Reshaped America.* New York: Oxford University Press.

De Loecker, Jan, Jan Eeckhout, and Gabriel Unger. 2018. "The Rise of Market Power and the Macroeconomic Implications." Working paper. Self-published. http://www.janeeckhout.com/wp-content/uploads/RMP.pdf.

Dean, Adam. 2015. "The Gilded Wage: Profit-Sharing Institutions and the Political Economy of Trade." *International Studies Quarterly* 59, no. 2 (June): 316–29. https://doi.org/10.1111/isqu.12200.

DeLong, J. Bradford, and Lawrence H. Summers. 2012. "Fiscal Policy in a Depressed Economy." Brookings Papers on Economic Activity. Washington, DC: The Brookings Institution. https://www.brookings.edu/bpea-articles/fiscal-policy-in-a-depressed-economy/.

DeSilver, Drew. 2018. "For Most Americans, Real Wages Have Barely Budged for Decades." *Fact Tank* (blog). Pew Research Center. August 7, 2018. https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/.

DeVore, Chuck. 2018. "Trump's Tax Cut Leads to Doubling of Job Growth in Low-Tax States vs. High-Tax." *Forbes,* June 15, 2018. https://www.forbes.com/sites/chuckdevore/2018/06/15/trump-tax-cut-leads-to-doubling-of-job-growth-in-low-tax-states-vs-high-tax/.

Diamond, Peter, and Emmanuel Saez. 2012. "Diamond and Saez: High Tax Rates Won't Slow Growth." *Wall Street Journal,* April 23, 2012, sec. Opinion. https://www.wsj.com/articles/SB10001424052702303425504577353843997820160.

Dickens, William T., Isabel V. Sawhill, and Jeffrey Tebbs. 2006. "The Effects of Investing in Early Education on Economic Growth." Brookings Policy Brief No. 153. Washington, DC: Brookings Institution. https://www.brookings.edu/research/the-effects-of-investing-in-early-education-on-economic-growth/.

Dijkgraaf, Robbert. 2017. "Knowledge Is a Kind of Infrastructure." *Scientific American* (blog). March 10, 2017. https://blogs.scientificamerican.com/guest-blog/knowledge-is-a-kind-of-infrastructure/.

Drutman, Lee. 2015. *The Business of America Is Lobbying: How Corporations Became Politicized and Politics Became More Corporate*. New York: Oxford University Press.

Duffy, Devin, and Julie Margetta Morgan. Forthcoming. "The Cost of Capture: How the Pharmaceutical Industry Has Corrupted Policymakers and Harmed Patients." New York: Roosevelt Institute.

Dunn, Megan, and James Walker. 2016. "Union Membership in the United States." Spotlight on Statistics. Washington, DC: US Bureau of Labor Statistics. https://www.bls.gov/spotlight/2016/union-membership-in-the-united-states/home.htm.

Eggertsson, Gauti B., Jacob A. Robbins, and Ella Getz Wold. 2018. "Kaldor and Piketty's Facts: The Rise of Monopoly Power in the United States." Working Paper no. 24287. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w24287.

Ellen, Ingrid Gould, and Samuel Dastrup. 2012. "Housing and the Great Recession." Recession Briefs. New York: Russell Sage Foundation; Stanford, CA: Stanford Center on Poverty and Inequality. https://web.stanford.edu/group/recessiontrends-dev/cgi-bin/web/research-areas/housing.

Estlund, Cynthia L. 2002. "The Ossification of American Labor Law." *Columbia Law Review* 102, no. 6 (October): 1527–1612. https://doi.org/10.2307/1123792.

Farber, Henry, Daniel Herbst, Ilyana Kuziemko, and Suresh Naidu. 2018. "Unions and Inequality Over the Twentieth Century: New Evidence from Survey Data." Working Paper no. 24587. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w24587.

Farley, Robert. 2018. "Cherry-Picking to Overhype Jobs Gains from Tax Cuts." FactCheck.Org. August 17, 2018. https://www.factcheck.org/2018/08/cherry-picking-to-overhype-jobs-gains-from-tax-cuts/.

Fatás, Antonio, and Lawrence H. Summers. 2016. "The Permanent Effects of Fiscal Consolidations." Working Paper no. 22374. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w22374.

Federal Reserve Bank of Chicago. 2018. "Chicago Fed Survey of Business Conditions: Current Capital Spending Index [CFSBCCAPX]." FRED, Federal Reserve Bank of St. Louis. 2018. https://fred.stlouisfed.org/series/CFSBCCAPX.

Feld, Harold. Forthcoming. "Market Structure and Regulation of Digital Platforms: The Case for the Digital Platforms Act." New York: Roosevelt Institute.

Feldman, Brian S. 2017. "The Decline of Black Business." *Washington Monthly,* March 2017. https://washingtonmonthly.com/magazine/marchaprilmay-2017/the-decline-of-black-business/.

File, Thom, and Camille Ryan. 2014. "Computer and Internet Use in the United States: 2013." Revised August 3, 2018. Report no. ACS-28. Suitland, MD: US Census Bureau. https://www.census.gov/library/publications/2014/acs/acs-28.html.

Flynn, Andrea, Dorian Warren, Felicia Wong, and Susan R. Holmberg. 2016. "Rewrite the Racial Rules: Building an Inclusive American Economy." New York: Roosevelt Institute. http://rooseveltinstitute.org/rewrite-racial-rules-building-inclusive-american-economy/.

Forden, Jess. Forthcoming. "Challenges for Workers in the Age of Fissured Jobs and Joint Employers." New York: Roosevelt Institute.

Fournier, Jean-Marc. 2016. "The Positive Effect of Public Investment on Potential Growth." OECD Economics Department Working Papers no. 1347. Paris: Organisation for Economic Cooperation and Development. https://doi.org/10.1787/15e400d4-en.

Fremstad, Anders, and Mark Paul. 2017. "A Short-Run Distributional Analysis of a Carbon Tax in the United States." PERI Working Paper no. 434. Amherst, MA: Political Economy Research Institute. https://www.peri.umass.edu/component/k2/item/985-a-distributional-analysis-of-a-carbon-tax-and-dividend-in-the-united-states.

Fried, Stephie. 2018. "Climate Policy and Innovation: A Quantitative Macroeconomic Analysis." *American Economic Journal*: *Macroeconomics* 10, no. 1 (January): 90–118. https://doi.org/10.1257/mac.20150289.

Friedman, Milton. 1993. W*hy Government Is the Problem: Milton Friedman*. Essays in Public Policy, no. 39. Stanford, CA: Hoover Institution on War, Revolution, and Peace, Stanford University.

Friedman, Zack. 2018. "Betsy DeVos: Student Loan Debt Is Now A 'Crisis.'" *Forbes,* November 28, 2018. https://www.forbes.com/sites/zackfriedman/2018/11/28/student-loan-debt-crisis/.

Furman, Jason. 2016. "Beyond Antitrust: The Role of Competition Policy in Promoting Inclusive Growth." Expanded version of keynote address delivered at the Ninth Annual Searle Center Conference on Antitrust Economics and Competition Policy. Searle Center on Law, Regulation, and Economic Growth. Northwestern University. Chicago. September 16–17, 2016. https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160916_searle_conference_competition_furman_cea.pdf

Furman, Jason. 2018. "Prepared Testimony to the Hearing on 'Market Concentration.'" In *129th Meeting of the OECD Competition Committee*. Organisation for Economic Cooperation and Development. June 6–8, 2018. http://www.oecd.org/daf/competition/market-concentration.htm.

Furman, Jason, and Lawrence H. Summers. 2019. "Who's Afraid of Budget Deficits?" *Foreign Affairs*, March/April 2019. https://www.foreignaffairs.com/articles/2019-01-27/whos-afraid-budget-deficits.

Gehrke, Britta, Wolfgang Lechthaler, and Christian Merkl. 2017. "The German Labor Market during the Great Recession: Shocks and Institutions." Working Paper. FAU Discussion Papers in Economics. Erlangen: Friedrich-Alexander-Universität Erlangen-Nürnberg, Institute for Economics. https://www.econstor.eu/handle/10419/157356.

Gilens, Martin. 2005. "Inequality and Democratic Responsiveness." *Public Opinion Quarterly* 69, no. 5 (Special Issue 2005): 778–96. https://doi.org/10.1093/poq/nfi058.

Gilens, Martin. 2012. *Affluence and Influence: Economic Inequality and Political Power in America*. Princeton, NJ: Princeton University Press; New York: Russell Sage Foundation.

Gilens, Martin, and Benjamin I. Page. 2014. "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens." *Perspectives on Politics* 12, no. 3 (September): 564–81. https://doi.org/10.1017/S1537592714001595.

Gonzalez, Ignacio, and Pedro Trivin. 2017. "The Global Rise of Asset Prices and the Decline of the Labor Share." Manuscript. http://wid.world/wp-content/uploads/2017/11/058-Gonzalez_Trivin_07_17.pdf.

Greenfield, Kent. 2006. *The Failure of Corporate Law: Fundamental Flaws and Progressive Possibilities*. Chicago: University of Chicago Press.

Greenwood, Robin, and David Scharfstein. 2013. "The Growth of Finance." *Journal of Economic Perspectives* 27, no. 2 (Spring): 3–28. https://doi.org/10.1257/jep.27.2.3.

Grullon, Gustavo, Yelena Larkin, and Roni Michaely. Forthcoming. "Are U.S. Industries Becoming More Concentrated?" *Review of Finance*. https://dx.doi.org/10.2139/ssrn.2612047.

Gutiérrez, Germán, and Thomas Philippon. 2016. "Investment-Less Growth: An Empirical Investigation." Working Paper no. 22897. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w22897.

Gutiérrez, Germán, and Thomas Philippon. 2017. "Declining Competition and Investment in the U.S." Working Paper no. 23583. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w23583.

Gutiérrez, Germán, and Thomas Philippon. 2018a. "Ownership, Concentration, and Investment." *AEA Papers and Proceedings* 108 (May): 432–37. https://doi.org/10.1257/pandp.20181010.

Gutiérrez, Germán, and Thomas Philippon. 2018b. "How EU Markets Became More Competitive Than US Markets: A Study of Institutional Drift." Working Paper no. 24700. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w24700.

Guvenen, Fatih, Raymond Mataloni, Dylan Rassier, and Kim Ruhl. 2017. "Offshore Profit Shifting and Domestic Productivity Measurement." Working Paper no. 23324. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w23324.

Hacker, Jacob S. 2002. T*he Divided Welfare State: The Battle over Public and Private Social Benefits in the United States.* New York: Cambridge University Press.

Hacker, Jacob S., and Paul Pierson. 2017. *American Amnesia: How the War on Government Led Us to Forget What Made America Prosper.* New York: Simon & Schuster.

Hamilton, Darrick. 2017. "The Moral Burden on Economists." Institute for New Economic Thinking. April 13, 2017. https://www.ineteconomics.org/perspectives/blog/the-moral-burden-on-economists.

Hamilton, Darrick, and Jennifer Cohen. 2018. "Race Still Trumps Class for Black Americans." *Guardian*, March 27, 2018, sec. Opinion. https://www.theguardian.com/commentisfree/2018/mar/27/race-trump-class-black-americans.

Hamilton, Darrick, William Darity Jr., Anne E. Price, Vishnu Sridharan, and Rebecca Tippett. 2015. "Umbrellas Don't Make It Rain: Why Studying and Working Hard Isn't Enough for Black Americans." New York: The New School; Durham, NC: Samuel Dubois Cook Center on Social Equity at Duke University; Oakland, CA: Insight Center for Community Economic Development. https://insightcced.org/report-umbrellas-dont-make-it-rain/.

Hamilton, Darrick, and Michael Linden. 2018. "Hidden Rules of Race Are Embedded in the New Tax Law." New York: Roosevelt Institute. http://rooseveltinstitute.org/hidden-rules-new-tax-law/.

Harvey, David. 2005. *A Brief History of Neoliberalism*. New York: Oxford University Press.

Hershey, Robert D., Jr. 2014. "Murray L. Weidenbaum, Reagan Economist, Dies at 87." *New York Times*, March 21, 2014, sec. Business. https://www.nytimes.com/2014/03/22/business/murray-l-weidenbaum-reagan-economist-dies-at-87.html.

Hertel-Fernandez, Alex. 2019. *State Capture: How Conservative Activists, Big Businesses, and Wealthy Donors Reshaped the American States and the Nation*. New York: Oxford University Press.

Hertel-Fernandez, Alexander, Matto Mildenberger, and Leah C. Stokes. 2019. "Legislative Staff and Representation in Congress." *American Political Science Review* 113, no. 1 (February): 1–18. https://doi.org/10.1017/S0003055418000606.

Herzog-Stein, Alexander, Fabian Lindner, and Simon Sturn. 2018. "The German Employment Miracle in the Great Recession: The Significance and Institutional Foundations of Temporary Working-Time Reductions." *Oxford Economic Papers* 70, no. 1 (January): 206–24. https://doi.org/10.1093/oep/gpx047.

Hohle, Randolph. 2015. *Race and the Origins of American Neoliberalism.* Routledge Research in Race and Ethnicity 12. New York: Routledge, Taylor & Francis Group.

Holmberg, Susan R. 2017a. "Boiling Points: The Inextricable Links Between Inequality and Climate Change." New York: Roosevelt Institute. http://rooseveltinstitute.org/boiling-points/.

Holmberg, Susan R. 2017b. "Fighting Short-Termism with Worker Power." New York: Roosevelt Institute. http://rooseveltinstitute.org/fighting-worker-power-short-termism-can-germanys-co-determination-system-fix-american-corporate-governance/.

Holmberg, Susan R. 2018. "Who Are the Shareholders?" New York: Roosevelt Institute. http://rooseveltinstitute.org/who-are-shareholders/.

Howard, Christopher. 1997. *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States.* Princeton Studies in American Politics. Princeton, NJ: Princeton University Press.

Human Rights Watch. 2017. "Systemic Indifference: Dangerous & Substandard Medical Care in US Immigration Detention." New York: Human Rights Watch. https://www.hrw.org/report/2017/05/08/systemic-indifference/dangerous-substandard-medical-care-us-immigration-detention.

Hungerford, Thomas L. 2012. "Taxes and the Economy: An Economic Analysis of the Top Tax Rates Since 1945 (Updated)." Washington, DC: Congressional Research Service. https://digitalcommons.ilr.cornell.edu/key_workplace/982.

Inwood, Joshua F. J. 2015. "Neoliberal Racism: The 'Southern Strategy' and the Expanding Geographies of White Supremacy." *Social & Cultural Geography* 16, no. 4 (2015): 407–23. https://doi.org/10.1080/14649365.2014.994670.

Iselin, John, and Philip Stallworth. 2016. "Who Benefits from Health-Care Related Tax Expenditures?" *Tax Policy Center* (blog). August 22, 2016. https://www.taxpolicycenter.org/taxvox/who-benefits-health-care-related-tax-expenditures.

Jha, Abhas. 2018. "'But What about Singapore?' Lessons from the Best Public Housing Program in the World." *Sustainable Cities* (blog). The World Bank. January 31, 2018. http://blogs.worldbank.org/sustainablecities/what-about-singapore-lessons-best-public-housing-program-world.

Johnson, Simon, and James Kwak. 2011. 13 *Bankers: The Wall Street Takeover and the Next Financial Meltdown*. New York: Random House.

Jones, Janelle. 2018. "Black Unemployment Is at Least Twice as High as White Unemployment at the National Level and in 12 States and D.C." Washington, DC: Economic Policy Institute. https://www.epi.org/publication/2018q3_unemployment_state_race_ethnicity/.

JUST Capital. 2018. "The JUST Capital Rankings on Corporate Tax Reform." New York: JUST Capital. https://justcapital.com/reports/the-just-capital-rankings-on-corporate-tax-reform/.

Kasy, Maximilian. 2018. "Why a Universal Basic Income Is Better Than Subsidies of Low-Wage Work." Working Paper no. 2. Data for Progress. http://filesforprogress.org/pdfs/UBI_EITC_Kasy_DFP_Working_Paper.pdf.

Katznelson, Ira. 2013. *Fear Itself: The New Deal and the Origins of Our Time*. New York: Liveright Publishing Corporation.

Kesselheim, Aaron S., Jerry Avorn, and Ameet Sarpatwari. 2016. "The High Cost of Prescription Drugs in the United States: Origins and Prospects for Reform." JAMA 316, no. 8 (August 23/30): 858–71. https://doi.org/10.1001/jama.2016.11237.

Khan, Lina. 2017. "Amazon's Antitrust Paradox." *Yale Law Journal* 126, no. 3 (January): 564–907. https://digitalcommons.law.yale.edu/ylj/vol126/iss3/3.

Khan, Lina M. 2017. "Amazon Bites Off Even More Monopoly Power." *New York Times,* June 21, 2017, sec. Opinion. https://www.nytimes.com/2017/06/21/opinion/amazon-whole-foods-jeff-bezos.html.

Kiel, Paul, and Jesse Eisinger. 2018. "How the IRS Was Gutted." *ProPublica*, December 11, 2018. https://www.propublica.org/article/how-the-irs-was-gutted.

King, Mary C. 2005. "Globalization and African Americans: A Focus on Public Employment." In A*frican Americans in the U.S. Economy*, edited by Cecilia A. Conrad, John Whitehead, Patrick Mason, and James B. Stewart. Lanham, MD: Rowman & Littlefield.

Kirsch, Richard, Dorian Warren, and Andy Shen. 2015. "Blueprint to Empower Workers for Shared Prosperity." New York: Roosevelt Institute. http://rooseveltinstitute.org/blueprint-empower-workers-shared-prosperity/.

Knuth, Sarah. 2018. "'Breakthroughs' for a Green Economy? Financialization and Clean Energy Transition." *Energy Research & Social Science* 41 (July): 220–29. https://doi.org/10.1016/j.erss.2018.04.024.

Kochhar, Rakesh, and Anthony Cilluffo. 2017. "How U.S. Wealth Inequality Has Changed since Great Recession, by Race, Ethnicity and Income." *Fact Tank* (blog). Pew Research Center. November 1, 2017. http://pewrsr.ch/2iSfbOS.

Koller, Tim, James Manyika, and Sree Ramaswamy. 2017. "The Case Against Corporate Short Termism." *Milken Institute Review,* August 4, 2017. http://www.milkenreview.org/articles/the-case-against-corporate-short-termism.

Konczal, Mike. 2012. "No Discount: Comparing the Public Option to the Coupon Welfare State." Washington, DC: New America. https://www.newamerica.org/economic-growth/policy-papers/no-discount-comparing-the-public-option-to-the-coupon-welfare-state/.

Konczal, Mike. 2015. "Structural Reform Beyond Glass-Steagall." *Roosevelt Institute* (blog). October 13, 2015. http://rooseveltinstitute.org/structural-reform-beyond-glass-steagall/.

Konczal, Mike. 2019. "The Failures of Neoliberalism Are Bigger Than Politics." New York: Roosevelt Institute. http://rooseveltinstitute.org/the-failures-of-neoliberalism-are-bigger-than-politics/.

Konczal, Mike, J. W. Mason, and Amanda Page-Hoongrajok. 2015. "Ending Short-Termism: An Investment Agenda for Growth." New York: Roosevelt Institute. http://rooseveltinstitute.org/ending-short-termism-investment-agenda-growth/.

Konczal, Mike, and Marshall Steinbaum. 2016. "Declining Entrepreneurship, Labor Mobility, and Business Dynamism: A Demand-Side Approach." New York: Roosevelt Institute. http://rooseveltinstitute.org/declining-entrepreneurship-labor-mobility-and-business-dynamism/.

Kopczuk, Wojciech, and Joseph Lupton. 2005. "To Leave or Not To Leave: The Distribution of Bequest Motives." Working Paper no. 11767. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w11767.

Korinek, Anton, and Joseph E. Stiglitz. 2009. "Dividend Taxation and Intertemporal Tax Arbitrage." *Journal of Public Economics* 93, nos. 1–2 (February): 142–59. https://doi.org/10.1016/j.jpubeco.2008.08.001.

Kranzler, Jordan. 2016. "TVA, TBD: When State-Owned Enterprises Are Successful." *Brown Political Review*, March 17, 2016. http://www.brownpoliticalreview.org/2016/03/tva-tbd-state-owned-enterprises-successful/.

Lacy, Akela. 2018. "In Democrats' First Bill, There's a Quiet Push to Make Public Campaign Finance a Reality." Intercept, December 2, 2018. https://theintercept.com/2018/12/02/public-campaign-finance-hr1/.

Landsberg, Brian. 2015. "Public Accommodations and the Civil Rights Act of 1964: A Surprising Success?" *Hamline University's School of Law's Journal of Public Law and Policy* 36 (1). https://digitalcommons.hamline.edu/jplp/vol36/iss1/1.

Lazonick, William. 2014. "Profits Without Prosperity." *Harvard Business Review,* September 2014. https://hbr.org/2014/09/profits-without-prosperity.

Lim, Stephen S., Rachel L. Updike, Alexander S. Kaldjian, Ryan M. Barber, Krycia Cowling, Hunter York, Joseph Friedman, R Xu, Joanna L. Whisnant, Heather J. Taylor, Andrew T. Leever, Yesenia Roman, Miranda F. Bryant, Joseph Dieleman, Emmanuela Gakidou, Christopher J. L. Murray. 2018. "Measuring Human Capital: A Systematic Analysis of 195 Countries and Territories, 1990–2016." *Lancet* 392, no. 10154 (September): 1217–34. https://doi.org/10.1016/S0140-6736(18)31941-X.

Lohn, Martiga. 2010. "Target CEO Defends Minn. GOP Contributions." *Associated Press, NBC News*, July 27, 2010. http://www.nbcnews.com/id/38434618/ns/business-retail/t/target-ceo-defends-minn-gop-contributions/.

Lohr, Steve. 2018. "Facial Recognition Is Accurate, If You're a White Guy." *The New York Times*, February 9, 2018, sec. Technology. https://www.nytimes.com/2018/02/09/technology/facial-recognition-race-artificial-intelligence.html.

Looney, Adam, and Constantine Yannelis. 2015. "A Crisis in Student Loans? How Changes in the Characteristics of Borrowers and in the Institutions They Attended Contributed to Rising Loan Defaults." Fall 2015. Brookings Papers on Economic Activity. Washington, DC: Brookings Institution. https://www.brookings.edu/bpea-articles/a-crisis-in-student-loans-how-changes-in-the-characteristics-of-borrowers-and-in-the-institutions-they-attended-contributed-to-rising-loan-defaults/.

Mabud, Rakeen, and Jess Forden. 2018. "Left Behind: Snapshots from the 21st Century Labor Market." New York: Roosevelt Institute. http://rooseveltinstitute.org/left-behind/.

Mabud, Rakeen, and Marybeth Seitz-Brown. 2017. "Wired: Connecting Equity to a Universal Broadband Strategy." New York: Roosevelt Institute. http://rooseveltinstitute.org/wired-connecting-equity-universal-broadband-strategy/.

Madl, David. 2016. "The Future of Worker Voice and Power." Washington, DC: Center for American Progress. https://www.americanprogress.org/issues/economy/reports/2016/10/11/143072/the-future-of-worker-voice-and-power/.

Mahoney, Christine. 2009. "Why Lobbying in America Is Different." *Politico*, June 4, 2009. Updated April 12, 2014. https://www.politico.eu/article/why-lobbying-in-america-is-different/.

Margetta Morgan, Julie. 2011. "A Seal We Can Trust." Washington, DC: Center for American Progress. https://www.americanprogress.org/issues/economy/reports/2011/06/13/9763/a-seal-we-can-trust/.

Margetta Morgan, Julie, and Marshall Steinbaum. 2018. "The Student Debt Crisis, Labor Market Credentialization, and Racial Inequality: How the Current Student Debt Debate Gets the Economics Wrong." New York: Roosevelt Institute. http://rooseveltinstitute.org/student-debt-crisis-labor-market-credentialization-racial-inequality/.

Marziani, Mimi, Laura Moy, Adam Skaggs, and Marcus Williams. 2011. "More than Combating Corruption: The Other Benefits of Public Financing." New York: Brennan Center for Justice at New York University School of Law. https://www.brennancenter.org/analysis/more-combating-corruption-other-benefits-public-financing#_edn21.

Mason, J. W. 2010. "Public Options: The General Case." *The Slack Wire* (blog). September 5, 2010. https://jwmason.org/slackwire/public-options-general-case/.

Mason, J. W. 2015a. "Disgorge the Cash: The Disconnect Between Corporate Borrowing and Investment." New York: Roosevelt Institute. http://rooseveltinstitute.org/disgorge-cash-disconnect-between-corporate-borrowing-and-investment-1/.

Mason, J. W. 2015b. "Understanding Short-Termism: Questions and Consequences." New York: Roosevelt Institute. http://rooseveltinstitute.org/understanding-short-termism-questions-and-consequences/.

Mason, J. W. 2017. "What Recovery? The Case for Continued Expansionary Policy at the Fed." New York: Roosevelt Institute. http://rooseveltinstitute.org/what-recovery/.

Mason, J. W. 2019. "Fiscal Rules for the 21st Century: How to Pay for the Public Sector." New York: Roosevelt Institute. https://rooseveltinstitute.org/how-to-pay-for-the-public-sector/.

Matthews, Dylan. 2015. "How the Government Taxes Rich Dead People, Explained." *Vox,* April 23, 2015. https://www.vox.com/2015/4/23/8471793/estate-tax.

Mazzucato, Mariana. 2013. *The Entreprenuerial State: Debunking Debunking Public vs. Private Sector Myths.* Bath, UK: Anthem.

McElwee, Sean, Brian Schaffner, and Jesse Rhodes. 2016. "Whose Voice, Whose Choice? The Distorting Influence of the Political Donor Class in Our Big-Money Elections." New York: Demos. https://www.demos.org/publication/whose-voice-whose-choice-distorting-influence-political-donor-class-our-big-money-electi.

McKernan, Signe-Mary, and Caroline Ratcliffe. 2002. "Transition Events in the Dynamics of Poverty." Report prepared for the US Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Washington, DC: Urban Institute. http://webarchive.urban.org/publications/410575.html.

McMillan Cottom, Tressie, and William A. Darity Jr., eds. 2017. *For-Profit Universities: The Shifting Landscape of Marketized Higher Education*. New York: Palgrave Macmillan. http://public.eblib.com/choice/publicfullrecord.aspx?p=4835466.

Mervis, Jeffrey. 2017. "Data Check: U.S. Government Share of Basic Research Funding Falls below 50%." Science, March 9, 2017. https://www.doi.org/10.1126/science.aal0890.

Mettler, Suzanne. 2010. “Reconstituting the Submerged State: The Challenges of Social Policy Reform in the Obama Era.” *Perspectives on Politics* 8, no. 3 (September): 803–24. https://doi.org/10.1017/S1537592710002045.

Mettler, Suzanne. 2011a. *The Submerged State: How Invisible Government Policies Undermine American Democracy.* Chicago Studies in American Politics. Chicago: The University of Chicago Press.

Mettler, Suzanne. 2011b. “Our Hidden Government Benefits.” *New York Times*, September 19, 2011, sec. Opinion. https://www.nytimes.com/2011/09/20/opinion/our-hidden-government-benefits.html.

Miler, Kristina C. 2018. *Poor Representation: Congress and the Politics of Poverty in the United States.* Cambridge: Cambridge University Press.

Miller, Kevin, Deborah J. Vagins, Anne Hedgepeth, and Kate Nielson. 2018. “The Simple Truth about the Gender Pay Gap.” Washington, DC: American Association of University Women. https://www.aauw.org/resource/the-simple-truth-about-the-gender-pay-gap/.

Minton, Sarah, and Christin Durham. 2016. “Low-Income Families and the Cost of Child Care: State Child Care Subsidies, Out-of-Pocket Expenses, and the Cliff Effect.” Washington, DC: The Urban Institute. https://www.urban.org/research/publication/low-income-families-and-cost-child-care.

Mishel, Lawrence. 2015. “Causes of Wage Stagnation.” Washington, DC: Economic Policy Institute. https://www.epi.org/publication/causes-of-wage-stagnation/.

Mishel, Lawrence, and Jessica Schieder. 2018. “CEO Compensation Surged in 2017.” Washington, DC: Economic Policy Institute. https://epi.org/152123.

Mudge, Stephanie Lee. 2008. “What Is Neo-Liberalism?” *Socio-Economic Review* 6, no. 4 (October): 703–31. https://doi.org/10.1093/ser/mwn016.

Nadiri, M. Ishaq, and Theofanis Mamuneas. 1996. “Contribution of Highway Capital to Industry and National Productivity Growth.” Report prepared for Apogee Research, Inc. for the Federal Highway Administration Office of Policy Development. Washington, DC: Federal Highway Administration. US Department of Transportation National Transportation Library ROSA P archive. https://rosap.ntl.bts.gov/view/dot/13426.

Naidu, Suresh. 2012. “Suffrage, Schooling, and Sorting in the Post-Bellum U.S. South.” Working Paper no. 18129. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w18129.

Naidu, Suresh, Dani Rodrik, and Gabriel Zucman. 2019. “Economics After Neoliberalism.” *Boston Review,* February 15, 2019. http://bostonreview.net/forum/suresh-naidu-dani-rodrik-gabriel-zucman-economics-after-neoliberalism.

New York City Campaign Finance Board. n.d. “Impact of Public Funds.” New York City Campaign Finance Board. Accessed March 7, 2019. https://www.nyccfb.info/program/impact-of-public-funds/.

OpenSecrets.org. n.d. “Who’s Up, Who’s Down?” Growth in Spending, Lobbying Database. Center for Responsive Politics. Accessed March 11, 2019. https://www.opensecrets.org/lobby/incdec.php.

Organization for Economic Cooperation and Development. 2017. “Government Investment as Percentage of GDP, 2007, 2009, 2015 and 2016.” In *Government at a Glance* 2017. Paris: OECD Publishing. https://doi.org/10.1787/gov_glance-2017-en.

Organization for Economic Cooperation and Development. 2018. “Revenue Statistics - OECD Countries: Comparative Tables.” Database, updated December 5, 2018. OECD.Stat. Organisation for Economic Cooperation and Development. October 2018. https://stats.oecd.org/Index.aspx?DataSetCode=REV.

Ostry, Jonathan D., Andrew Berg, and Charalambos G. Tsangarides. 2014. “Redistribution, Inequality and Growth.” Staff Discussion Notes No. 14/02. Washington, DC: International Monetary Fund. https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2016/12/31/Redistribution-Inequality-and-Growth-41291.

Page, Benjamin I., Larry M. Bartels, and Jason Seawright. 2013. “Democracy and the Policy Preferences of Wealthy Americans.” *Perspectives on Politics* 11, no. 1 (March): 51–73. https://doi.org/10.1017/S153759271200360X.

Palladino, Lenore. 2018. “Stock Buybacks: Driving a High-Profit, Low-Wage Economy.” New York: Roosevelt Institute. http://rooseveltinstitute.org/stock-buybacks-high-profit-low-wage/.

Palladino, Lenore. 2019. “Ending Shareholder Primacy in Corporate Governance.” New York: Roosevelt Institute. http://rooseveltinstitute.org/ending-shareholder-primacy-corporate-governance/.

Palladino, Lenore, Devin Duffy, and Marybeth Seitz-Brown. 2017. "Reality Check: Raising Revenue for Structural Reform and Large-Scale Public Investment." New York: Roosevelt Institute. http://rooseveltinstitute.org/realitycheck/.

Palladino, Lenore, and Kristina Karlsson. 2018. "Towards 'Accountable Capitalism': Remaking Corporate Law through Stakeholder Governance." New York: Roosevelt Institute. http://rooseveltinstitute.org/towards-accountable-capitalism/.

Parks, Virginia. 2010. "Revisiting Shibboleths of Race and Urban Economy: Black Employment in Manufacturing and the Public Sector Compared, Chicago 1950–2000." *International Journal of Urban and Regional Research* 35, no. 1 (December): 110–29. https://doi.org/10.1111/j.1468-2427.2010.00942.x.

Patten, Eileen. 2016. "Racial, Gender Wage Gaps Persist in U.S. Despite Some Progress." *Fact Tank* (blog). Pew Research Center. July 1, 2016. http://pewrsr.ch/29gNnNA.

Paul, Mark. 2018. "Don't Fear the Robots: Why Automation Doesn't Mean the End of Work." New York: Roosevelt Institute. http://rooseveltinstitute.org/dont-fear-robots/.

Paul, Mark, William Darity Jr., and Darrick Hamilton. 2018. "The Federal Job Guarantee—a Policy to Achieve Permanent Full Employment." Full Employment Project. Washington, DC: Center on Budget and Policy Priorities. https://www.cbpp.org/research/full-employment/the-federal-job-guarantee-a-policy-to-achieve-permanent-full-employment.

Paul, Mark, William Darity Jr., and Darrick Hamilton. 2018. "An Economic Bill of Rights for the 21st Century." *American Prospect*, March 5, 2018. https://prospect.org/article/economic-bill-rights-21st-century.

Paul, Mark, William Darity Jr., Darrick Hamilton, and Khaing Zaw. 2018. "A Path to Ending Poverty by Way of Ending Unemployment: A Federal Job Guarantee." *RSF: The Russell Sage Foundation Journal of the Social Sciences* 4, no. 3 (February): 44–63. https://doi.org/10.7758/rsf.2018.4.3.03.

Paul, Mark, and Thomas Herndon. 2018. "A Public Banking Option As a Mode of Regulation for Household Financial Services in the United States." New York: Roosevelt Institute. http://rooseveltinstitute.org/public-banking-option/.

Peller, Julie. 2017. "Why Higher Ed Needs a Quality Assurance Revolution." *Higher Learning Advocates* (blog). December 6, 2017. https://higherlearningadvocates.org/2017/12/06/higher-ed-needs-quality-assurance-revolution/.

Perriello, Tom, and Felicia Wong. 2018. "Bold Versus Old: How the New Political Fights Transcend the Old Left-Right Paradigm." *Democracy,* May 18, 2018. https://democracyjournal.org/arguments/bold-versus-old/.

Pettit, Becky. 2012. *Invisible Men: Mass Incarceration and the Myth of Black Progress.* New York: Russell Sage Foundation.

Philippon, Thomas. 2015. "Has the US Finance Industry Become Less Efficient? On the Theory and Measurement of Financial Intermediation." *American Economic Review* 105, no. 4 (April): 1408–38. https://doi.org/10.1257/aer.20120578.

Phillips-Fein, Kim. 2010. *Invisible Hands: The Businessmen's Crusade Against the New Deal.* New York: W. W. Norton & Company.

Piketty, Thomas, and Emmanuel Saez. 2012. "A Theory of Optimal Capital Taxation." Working Paper no. 17989. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w17989.

Piketty, Thomas, Emmanuel Saez, and Stefanie Stantcheva. 2014. "Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities." *American Economic Journal: Economic Policy* 6, no. 1 (February): 230–71. https://doi.org/10.1257/pol.6.1.230.

Pollin, Robert, Heidi Garrett-Peltier, and Jeannette Wicks-Lim. 1970. "Green New Deal for U.S. States." Amherst, MA: Political Economy Research Institute. https://www.peri.umass.edu/economists/robert-pollin/item/1032-green-new-deal-for-u-s-states.

Pollin, Robert, James Heintz, and Thomas Herndon. 2018. "The Revenue Potential of a Financial Transaction Tax for US Financial Markets." *International Review of Applied Economics* 32 (6): 772–806. https://doi.org/10.1080/02692171.2018.1485634.

Pope, James Gray. 2004. "How American Workers Lost the Right to Strike, and Other Tales." *Michigan Law Review* 103 (3): 518–53.

Prescription Justice. 2017. "45 Million Americans Forego Medications Due to Costs, New Analysis Shows—9 Times the Rate of the UK." News Release. February 6, 2017. https://prescriptionjustice.org/press_release/45-million-americans-forego-medications-due-to-costs-new-analysis-shows-9-times-the-rate-of-the-uk/.

Rahman, K. Sabeel. Forthcoming. "Policymaking as Power-Building." *Southern California Interdisciplinary Law Journal* 27 (2). https://papers.ssrn.com/abstract=3039733.

Rahman, K. Sabeel. 2017a. *Democracy against Domination*. New York: Oxford University Press.

Rahman, K. Sabeel. 2017b. "Losing and Gaining Public Goods." *Boston Review*, September 5, 2017. http://bostonreview.net/forum/k-sabeel-rahman-losing-and-gaining-public-goods.

Rahman, K. Sabeel. 2017c. "Monopoly Men." *Boston Review*, October 11, 2017. http://bostonreview.net/class-inequality/k-sabeel-rahman-monopoly-men.

Rahman, K. Sabeel , and Lina Khan. 2016. "Restoring Competition in the U.S. Economy." In *Untamed: How to Check Corporate, Financial, and Monopoly Power,* edited by Nell Abernathy, Mike Konczal, and Katy Milani, 18–25. New York: Roosevelt Institute. http://rooseveltinstitute.org/untamed-how-check-corporate-financial-and-monopoly-power/.

Rappeport, Alan, and Emily Flitter. 2018. "Congress Approves First Big Dodd-Frank Rollback." *New York Times,* May 22, 2018, sec. Business. https://www.nytimes.com/2018/05/22/business/congress-passes-dodd-frank-rollback-for-smaller-banks.html.

Richards, Kitty. 2019. "Taxes and Rents: The Power of Tax Policy to Shape the Distribution of Pre-Tax Income." SSRN Scholarly Paper ID 3330239. Rochester, NY: Social Science Research Network. https://papers.ssrn.com/abstract=3330239.

Rinne, Ulf, and Klaus F. Zimmermann. 2012. "Another Economic Miracle? The German Labor Market and the Great Recession." *IZA Journal of Labor Policy* 1 (2012): 3. https://doi.org/10.1186/2193-9004-1-3.

Robertson, Adi. 2018. "Mark Zuckerberg Personally Approved Cutting off Vine's Friend-Finding Feature." *Verge,* December 5, 2018. https://www.theverge.com/2018/12/5/18127202/mark-zuckerberg-facebook-vine-friends-api-block-parliament-documents.

Rogers, Brishen. 2018. "The Limits of Antitrust Enforcement." *Boston Review*, April 30, 2018. http://bostonreview.net/class-inequality/brishen-rogers-limits-antitrust-enforcement.

Rogoff, Kenneth. 2019. "Never Mind the Debt: If There's a Hard Brexit Britain Will Have to Splash the Cash." *Times*, February 3, 2019, UK edition, sec. Comment. https://www.thetimes.co.uk/article/never-mind-the-debt-if-there-s-a-hard-brexit-britain-will-have-to-splash-the-cash-0w89zg986.

Rogoway, Mike. 2019. "Portland Expects up to $3.5 Million from Unique CEO Tax." *Oregonlive.Com*, February 2, 2019, sec. Business. https://www.oregonlive.com/business/2019/02/portland-expects-up-to-35-million-from-unique-ceo-tax.html.

Rosenfeld, Jake. 2014. *What Unions No Longer Do*. Cambridge, MA: Harvard University Press.

Sachs, Benjamin Ian. 2010. "Enabling Employee Choice: A Structural Approach to the Rules of Union Organizing." *Harvard Law Review* 123 (3): 655–728. http://nrs.harvard.edu/urn-3:HUL.InstRepos:10876007.

Saez, Emmanuel, and Gabriel Zucman. 2019. "How Would a Progressive Wealth Tax Work? Evidence from the Economics Literature." Unpublished paper. February 5, 2019. https://eml.berkeley.edu/~saez/saez-zucman-wealthtaxobjections.pdf.

Scott-Clayton, Judith, and Jing Li. 2016. "Black-White Disparity in Student Loan Debt More than Triples after Graduation." Evidence Speaks. Washington, DC: Brookings Institution. https://www.brookings.edu/research/black-white-disparity-in-student-loan-debt-more-than-triples-after-graduation/.

Serwer, Adam. 2017. "The Nationalist's Delusion." *Atlantic*, November 20, 2017. https://www.theatlantic.com/politics/archive/2017/11/the-nationalists-delusion/546356/.

Sialm, Clemens. 2009. "Tax Changes and Asset Pricing." *American Economic Review* 99, no. 4 (September): 1356–83. https://doi.org/10.1257/aer.99.4.1356.

Sitaraman, Ganesh. 2016. "Reforming Regulation: Policies to Counteract Capture and Improve the Regulatory Process." Washington, DC: Center for American Progress. https://www.americanprogress.org/issues/economy/reports/2016/11/01/291499/reforming-regulation/.

Sitaraman, Ganesh. 2018. "Regulating Tech Platforms: A Blueprint for Reform." The Great Democracy Initiative. https://greatdemocracyinitiative.org/document/regulating-tech/.

Sitaraman, Ganesh, and Anne L. Alstott. 2019. *The Public Option: How to Expand Freedom, Increase Opportunity, and Promote Equality*. Cambridge, MA: Harvard University Press.

Slobodian, Quinn. 2018. *Globalists: The End of Empire and the Birth of Neoliberalism.* Cambridge, MA: Harvard University Press.

Smith, Greg B. 2015. “Some NYC Landlords Illegally Refusing to Rent to Tenants on Government Aid: Controller.” *New York Daily News*, December 2, 2015. https://www.nydailynews.com/new-york/landlords-refusing-rent-tenants-aid-stringer-article-1.2452389.

Song, Jae, David J. Price, Fatih Guvenen, Nicholas Bloom, and Till von Wachter. 2018. “Firming Up Inequality.” Working Paper 750. Minneapolis: Federal Reserve Bank of Minneapolis. https://minneapolisfed.org/research/working-papers/firming-up-inequality.

Soss, Joe, Richard C. Fording, and Sanford Schram. 2011. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago Studies in American Politics. Chicago: University of Chicago Press.

Soss, Joe, Sanford F. Schram, Thomas P. Vartanian, and Erin O’Brien. 2001. “Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution.” *American Journal of Political Science* 45, no. 2 (April): 378–95. https://doi.org/10.2307/2669347.

State Higher Education Executive Officers Association. 2018. “State Higher Education Finance Fiscal Year 2017.” State Higher Education Finance Report. Boulder, CO: State Higher Education Executive Officers Association. http://www.sheeo.org/sites/default/files/project-files/SHEEO_SHEF_FY2017_FINAL.pdf.

Stein, Jeff. 2018. “Steel Is Surging under Trump. Will Workers Benefit?” *Washington Post,* October 3, 2018, sec. Business. https://www.washingtonpost.com/business/economy/steel-is-surging-under-trump-will-workers-benefit/2018/10/03/60a7cd60-c655-11e8-b2b5-79270f9cce17_story.html.

Steinbaum, Marshall, Eric Harris Bernstein, and John Sturm. 2018. “Powerless: How Lax Antitrust and Concentrated Market Power Rig the Economy Against American Workers, Consumers, and Communities.” New York: Roosevelt Institute. http://rooseveltinstitute.org/powerless/.

Steinbaum, Marshall, and Maurice E. Stucke. 2018. “The Effective Competition Standard: A New Standard for Antitrust.” New York: Roosevelt Institute. http://rooseveltinstitute.org/effective-competition-standard/.

Stewart, Frances. 2009. “Horizontal Inequality: Two Types of Trap.” *Journal of Human Development and Capabilities* 10, no. 3 (November): 315–40. https://doi.org/10.1080/19452820903041824.

Stiglitz, Joseph E. Forthcoming. *People, Power, and Profits: Progressive Capitalism for an Age of Discontent*. New York: W. W. Norton & Company.

Stiglitz, Joseph E. 2012. *The Price of Inequality: How Today’s Divided Society Endangers Our Future.* New York: W. W. Norton & Company.

Stiglitz, Joseph E., Nell Abernathy, Adam Hersh, Mike Konczal, and Susan R. Holmberg. 2015. “Rewriting the Rules of the American Economy.” New York: Roosevelt Institute. http://rooseveltinstitute.org/rewriting-rules-report/.

Stiglitz, Joseph E., Jean Paul Fitoussi, and Martine Durand. 2018. “Beyond GDP: Measuring What Counts for Economic and Social Performance.” Paris: OECD Publishing. https://doi.org/10.1787/9789264307292-en.

Stiglitz, Joseph E., Amartya Sen, and Jean Paul Fitoussi. 2009. “Report by the Commission on the Measurement of Economic Performance and Social Progress.” Paris: Commission on the Measurement of Economic Performance and Social Progress. https://ec.europa.eu/eurostat/documents/118025/118123/Fitoussi+Commission+report.

Strong, Narender. 2017. “Interview with Darrick Hamilton.” *Public Seminar*, April 20, 2017. http://www.publicseminar.org/2017/04/interview-with-darrick-hamilton/.

Thelen, Kathleen. 2018. “The American Precariat: US Capitalism in Comparative Perspective.” Video of the 114th Presidential Address presented at the 114th American Political Science Association Annual Meeting & Exhibition, Boston, August 30–September 2, 2018. *Political Science Now* (blog). October 11, 2018. https://politicalsciencenow.com/114th-presidential-address-the-american-precariat-us-capitalism-in-comparative-perspective/.

Tørsløv, Thomas R., Ludvig S. Wier, and Gabriel Zucman. 2018. “The Missing Profits of Nations.” Working Paper no. 24701. NBER Working Papers Series. Cambridge, MA: National Bureau of Economic Research. https://www.doi.org/10.3386/w24701.

Tucker, Todd N. 2018a. “If Trump Really Wants to Save American Steel, He’d Nationalize It.” *Politico*, February 22, 2018. http://politi.co/2oqQPe6.

Tucker, Todd N. 2018b. *Judge Knot: Politics and Development in International Investment Law.* Anthem Frontiers of Global Political Economy. New York: Anthem Press, an imprint of Wimbledon Publishing Company.

Tucker, Todd N. 2018c. “Seven Strategies to Rebuild Worker Power for the 21st Century Global Economy: A Comparative and Historical Framework for Policy Action.” New York: Roosevelt Institute. http://rooseveltinstitute.org/seven-strategies-rebuild-worker-power/.

Tucker, Todd N. 2018d. “Off-Balance: Five Strategies for a Judiciary That Supports Democracy.” New York: Roosevelt Institute. http://rooseveltinstitute.org/off-balance-five-strategies-judiciary-supports-democracy/.

Tucker, Todd N. 2019. “Fixing the Senate: Equitable and Full Representation for the 21st Century.” New York: Roosevelt Institute. http://rooseveltinstitute.org/fixing-the-senate/.

Feenstra, Robert C., Robert Inklaar, and Marcel P. Timme. 2015. “The Next Generation of the Penn World Table.” *American Economic Review* 105 (10): 3150–3182. www.ggdc.net/pwt.

US Bureau of Labor Statistics. n.d. “Civilian Labor Force Participation Rate [CIVPART].” From FRED Database, Federal Reserve Bank of St. Louis. Accessed March 11, 2019. https://fred.stlouisfed.org/series/CIVPART.

US Congressional Budget Office. n.d. “Natural Rate of Unemployment (Long-Term) [NROU].” From FRED Database, Federal Reserve Bank of St. Louis. Accessed March 26, 2019. https://fred.stlouisfed.org/series/NROU.

US Department of Education Office of Inspector General. 2019a. “Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans.” Final Audit Report ED-OIG/A05Q0008. Washington, DC: US Department of Education. https://www2.ed.gov/about/offices/list/oig/auditreports/fy2019/a05q0008.pdf.

US Department of Education Office of Inspector General. 2019b. “Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Servicing Federally Held Student Loans.” Reissuance of Final Audit Report ED-OIG/A05Q0008. Washington, DC: US Department of Education. https://www2.ed.gov/about/offices/list/oig/auditreports/fy2019/a05q0008.pdf.

US Department of Justice Office of the Inspector General. 2016. “Review of the Federal Bureau of Prisons’ Monitoring of Contract Prisons.” Washington, DC: US Department of Justice. https://perma.cc/2ALB-RCDU.

US Government Accountability Office. 2011. “For-Profit Schools: Experiences of Undercover Students Enrolled in Online Classes at Selected Colleges.” GAO-12-150. A Report to the Chairman, Committee on Health, Education, Labor, and Pensions, US Senate. Washington, DC: US Government Accountability Office. https://www.gao.gov/products/GAO-12-150.

US International Trade Commission. 2016. “Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2016 Report.” Investigation no. 332-555. Publication no. 4614. Washington, DC: US International Trade Commission. https://www.usitc.gov/publications/industry_econ_analysis_332/2016/economic_impact_trade_agreements_implemented_under.htm.

Van Horn, Rob, and Philip Mirowski. 2009. “The Rise of the Chicago School of Economics and the Birth of Neoliberalism.” In *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, edited by Philip Mirowski and Dieter Plehwe, 139–180. Cambridge, MA: Harvard University Press.

Waldman, Annie. 2016. “Who’s Regulating For-Profit Schools? Execs From For-Profit Colleges.” *ProPublica*, February 26, 2016. https://www.propublica.org/article/whos-regulating-for-profit-schools-execs-from-for-profit-colleges.

Warren, Jonathan W., and France Winddance Twine. 1997. “White Americans, the New Minority?: Non-Blacks and the Ever-Expanding Boundaries of Whiteness.” *Journal of Black Studies* 28, no. 2 (November): 200–218. https://doi.org/10.1177/002193479702800204.

Washington Center for Equitable Growth. 2018. “Measuring U.S. Economic Growth.” Washington, DC: Washington Center for Equitable Growth. https://equitablegrowth.org/measuring-u-s-economic-growth/.

Washington State Institute for Public Policy. 2018. “State and District Early Childhood Education Programs Pre-K to 12 Education.” Benefit-Cost Methods Last Updated December 2018. Literature Review Updated December 2013. Accessed March 11, 2019.

Washington State Institute for Public Policy. December 2018. http://www.wsipp.wa.gov/BenefitCost/Program/270.
Weil, David. 2014. *The Fissured Workplace: Why Work Became So Bad for so Many and What Can Be Done to Improve It*. Cambridge, MA: Harvard University Press.

Weiler, Paul. 1983. “Promises to Keep: Securing Workers’ Rights to Self-Organization under the NLRA.” *Harvard Law Review* 96, no. 8 (June): 1769–1827. https://doi.org/10.2307/1340809.

West Health Institute and NORC at the University of Chicago. 2018. “Americans’ Views of Healthcare Costs, Coverage, and Policy.” Chicago: West Health Institute and NORC at the University of Chicago. https://www.westhealth.org/wp-content/uploads/2018/03/WHI-Healthcare-Costs-Coverage-and-Policy-Issue-Brief.pdf.

Williamson, Vanessa S. 2017. *Read My Lips: Why Americans Are Proud to Pay Taxes.* Princeton, NJ: Princeton University Press.

Wilson, Valerie, and William M. Rodgers III. 2016. “Black-White Wage Gaps Expand with Rising Wage Inequality.” Washington, DC: Economic Policy Institute. https://www.epi.org/publication/black-white-wage-gaps-expand-with-rising-wage-inequality/.

Winter, Nicholas J. G. 2006. “Beyond Welfare: Framing and the Racialization of White Opinion on Social Security.” *American Journal of Political Science* 50, no. 2 (April): 400–420. https://doi.org/10.1111/j.1540-5907.2006.00191.x.

Wolff, Edward N. 2017. “Household Wealth Trends in the United States, 1962 to 2016: Has Middle Class Wealth Recovered?” Working Paper no. 24085. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research. https://doi.org/10.3386/w24085.

Yagan, Danny. 2015. “Capital Tax Reform and the Real Economy: The Effects of the 2003 Dividend Tax Cut.” *American Economic Review* 105, no. 12 (December): 3531–63. https://doi.org/10.1257/aer.20130098.

Youn, Monica. 2010. “Citizens United: The Aftermath.” An Issue Brief for the American Constitutional Society. Washington, DC: Brennan Center for Justice. https://www.brennancenter.org/analysis/citizens-united-aftermath-issue-brief-american-constitutional-society.

Zucman, Gabriel. Forthcoming. “Global Wealth Inequality.” *Annual Review of Economics* 11. http://gabriel-zucman.eu/files/Zucman2019.pdf.

ROOSEVELTINSTITUTE.ORG

© ROOSEVELT INSTITUTE 2019