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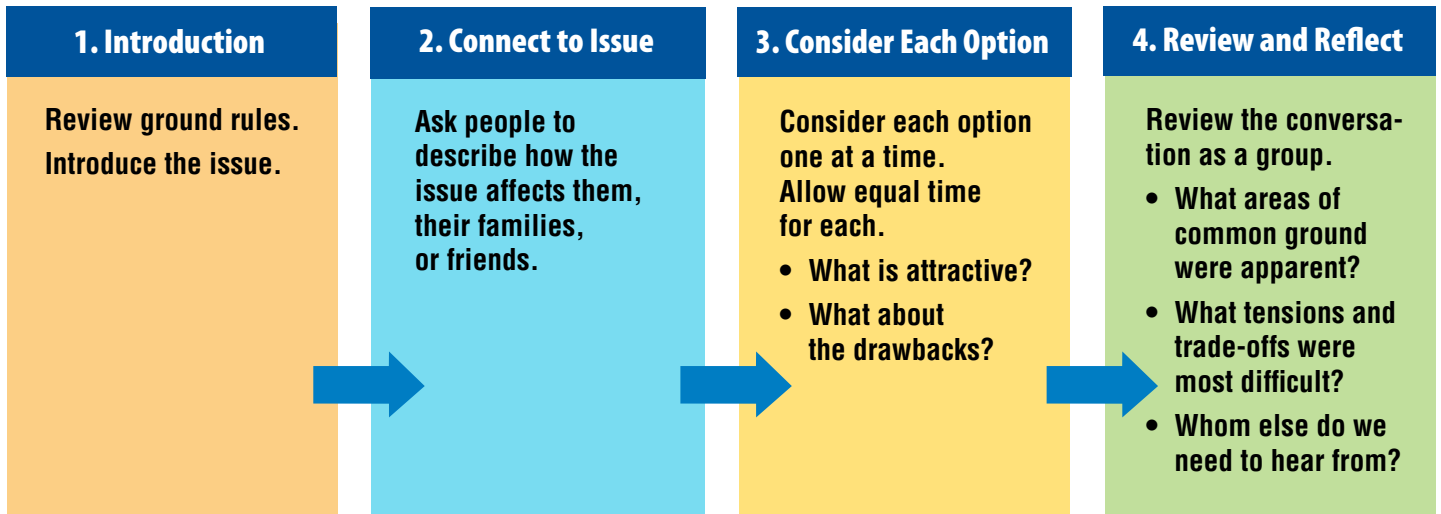
Back to Work

How Should We Rebuild Our Economy?



A HIDDEN COMMON GROUND ISSUE GUIDE

Holding a Deliberative Forum



Ground Rules for a Forum

- Focus on the options and actions we can take nationally and in our communities.
- Consider all options fairly.
- Listening is just as important as speaking.
- No one or two individuals should dominate.
- Maintain an open and respectful atmosphere.
- Everyone is encouraged to participate.

About This Issue Guide

THE HEALTH OF THE US ECONOMY and the ability to find a good job to support yourself and your family matter to every American. This issue guide is designed to help people deliberate together about how best to pick up the pieces after the COVID-19 pandemic in 2020. The three options presented here reflect different ways of understanding what is at stake and shed light on the critical tensions in what Americans hold most valuable.

The challenge of rebuilding our economy raises a number of difficult questions to consider:

- Should our government spend and borrow more than usual to revitalize the nation, or would that place too great a burden on future generations?
- Should we prioritize direct aid to small businesses, or does that risk throwing away money on risky enterprises?
- Should we continue to work from home, if possible, to cut down on commuting and travel for the sake of the environment and our long-term health, or is that likely to cripple too many businesses?
- Should we seek to protect American companies in global markets, or will this have the self-defeating effect of hurting trade?

The concerns that underlie this issue are not confined to party affiliation, nor are they captured by labels such as “conservative” or “liberal.”

The research involved in developing this guide included interviews and conversations with Americans from all walks of life, as well as surveys of nonpartisan public-opinion research, subject-matter scans, and reviews of early drafts by people with direct experience in these matters.



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Back to Work

How Should We Rebuild Our Economy?



THE PANDEMIC of 2020 swiftly brought the US economy to a near standstill: more than 36 million people lost jobs by that summer. *The Wall Street Journal* estimated that one-quarter of all business activity shut down in a matter of weeks.

The lockdowns and job losses staggered the \$20 trillion US economy and the tens of thousands of communities that drive its prosperity. The US is the world's largest net exporter of food and is a net exporter of energy as well. It employs more than 160 million people in normal times. The state of California alone has an economy larger than India's.

As hard as the shutdown was on the nation as a whole, it ravaged many cities and small towns as well. Cannon Beach, Oregon, a tourist magnet on the Pacific Ocean, was one of the first cities to shut itself down voluntarily in March, which immediately put hundreds of people out of work. Cancellation of the South by Southwest festival in Austin, Texas, cost the region's economy more than \$350 million.

What's more, the US may grapple with the effects of the pandemic for some time. The Federal Reserve said in the summer of 2020 that it could take two years or more for the nation to return to full employment.

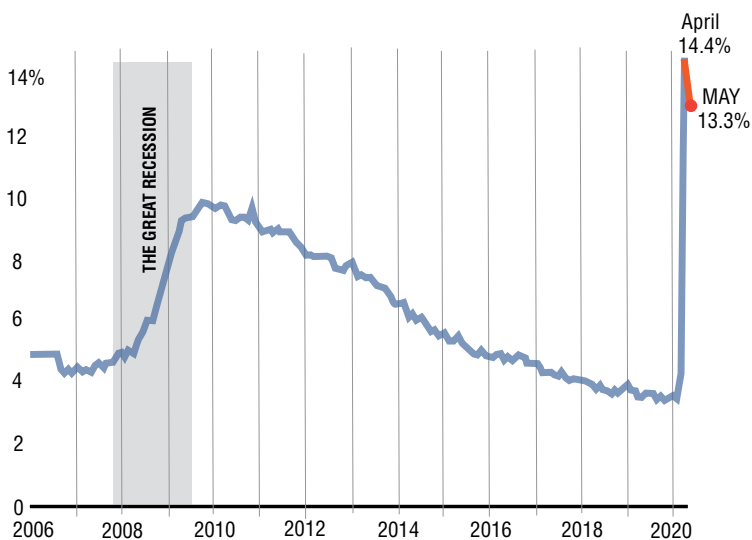
The US stands at a crossroads similar to that of the Great Depression, when Congress created programs such as Social Security and unemployment insurance. Looking beyond the pandemic and its immediate consequences, we have an opportunity to choose what direction our economy should take after this interruption.

Just as an earthquake reveals flaws in a building, the pandemic and the shut-down brought to light hidden truths in our economy: how tenuously many small businesses cling to survival; how many of the people doing essential but poorly paid jobs are Blacks, Latinos, or other minorities, and mostly women; and how much the US relies on other nations for vital products and services.

The simultaneous wave of protests nationwide, caused by the killing of George Floyd and other Black Americans by law enforcement officers, also focused attention on systemic racism and its effects in both the criminal justice system and the economy. Between the protests and the pandemic, the events of 2020 forced many to confront for the first time what is owed to Black and minority Americans.

This means all Americans have an additional responsibility as we rebuild the economy: to ensure that it is more equitable than before. We should examine how biases toward race and gender have unfairly and often illegally channeled wealth to White Americans and away from women and people of color in ways that have limited opportunities for entire generations.

Unemployment Rose Higher in Three Months of COVID-19 Than It Did in Two Years of the Great Recession.



Source: Pew Research Center

In 2018, the median income for White households was \$70,642, compared to \$51,450 for Hispanic households and \$41,692 for Black households, according to an analysis of Census Bureau data by the Economic Policy Institute. Those gaps have remained relatively stable for decades.

States and cities will play a vital role in the effort to rebuild our economy. Many of the decisions about how best to rebuild are local ones, shaped by the particular circumstances in each region. Across the nation, Americans can influence the course of recovery through their actions in city councils, state legislatures, nonprofit organizations, and volunteer groups.

Among the issues to consider are the best way to get back to full employment, what kind of support should go to businesses large and small, what the most vulnerable and essential workers need, and what changes should be made in the way we live and work. Looking beyond the reopening of businesses and communities in the US, what should



People wait to receive food at a food distribution site in the Brooklyn borough of New York City, May 14, 2020. The number of initial jobless claims in the US stood at 2,981,000 that week.

our priorities be over the next few years? As a society, what lessons should we learn from this experience? What can communities do to build a prosperous future?

How should we rebuild our economy after the pandemic?

This issue guide presents three options for moving forward, each coming from a different perspective and each reflecting a different set of ideas about what should be done. Most people will find something to agree with in all three approaches, but each also has trade-offs, risks, or drawbacks that must be taken into account and worked through. The options presented here are not ready-made solutions but rather starting points for weighing alternatives and reaching sound judgments. Each community can shape its own conversation about the future based on its unique circumstances.



Option 1: Jumpstart the Economy

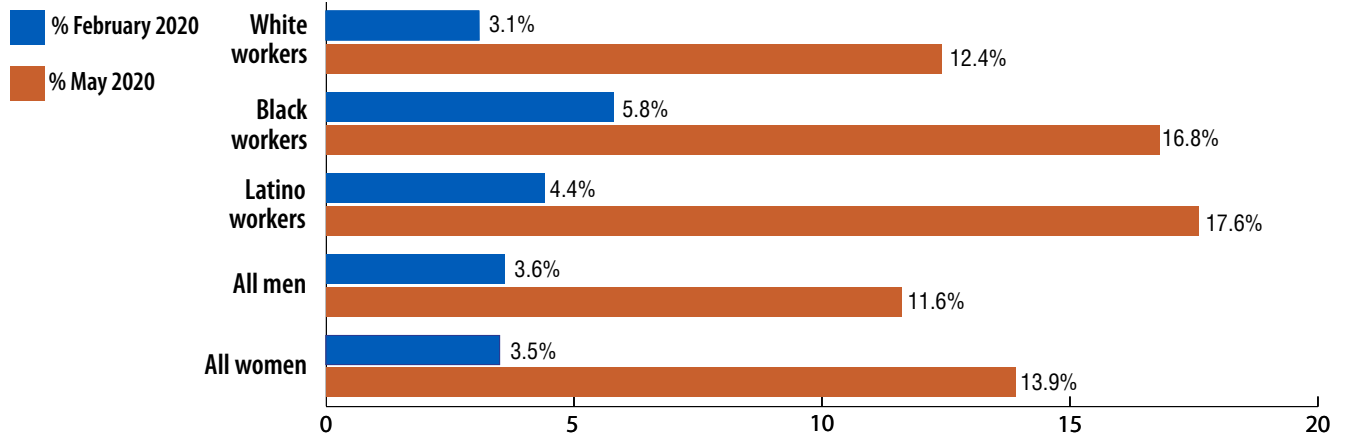
THE SIZE AND SPEED OF THE RECESSION caused by the pandemic and the subsequent stay-at-home orders were unprecedented for the United States.

People stopped flying, shopping (except for groceries), getting haircuts, eating out—essentially living their normal lives—all within a few weeks. As if a faucet had been turned off, the flow of money slowed throughout the economy, leaving millions of people without jobs and millions of businesses with crippling losses of income.

Consumer spending, which represents about two-thirds of the US economy, plunged by nearly \$2 trillion in one month. At the same time, the savings rate soared to 33 percent, the highest it's been since the government first kept track in 1959, as families cut expenses and braced for the lockdown.



Unemployment Soared Unequally during the Early Months of the COVID-19 Pandemic.



Source: US Bureau of Labor Statistics

This option says we should turn the faucet back on, maybe even at greater volume, and kick-start the economy to keep money flowing. The economy needs sustained investment in the coming years to fully restore prosperity for all. In an emergency like this, governments and banks should set aside some of the normal constraints on spending and lending money to save jobs and businesses and to create new ones.

More public and private lending should go to small businesses, which employ about half of all American workers and have been responsible for most job growth in the last 20 years, according to the US Small Business Administration.

Small businesses are more vulnerable in a recession because they cannot afford to lose customers and often have a harder time getting credit. They also generally don't have the resources to keep employees on the payroll when business slows or stops altogether. That does not mean ignoring larger companies. Although they have more tools at their disposal to cope with a downturn, we should nonetheless ensure that they are not neglected.

Supporting workers and their families, the backbone of the economy, should be a top priority. This is especially important for minority workers, many of whom continued to work during the pandemic in low-paying, essential jobs that

exposed them to the virus. The federal and state governments should take steps to keep them and their families insulated from the worst effects not only of this recession, but of the next one as well. Working families can survive if they get the necessary support until they get their jobs back or find new ones.

"How do we encourage investment in people and their skills, not just in automation and robotics?" wrote Darren Walker, president of the Ford Foundation, in the *New York Times*.

According to this option, the best strategy for building a more equitable, more prosperous nation after the pandemic would be a concerted effort, in individual communities and at all levels of government, to actively create jobs, to support job-generating businesses, and to ensure that workers have the resources they need.

A Primary Drawback of This Option:

These strategies have been tried many times. They are more likely to benefit stockholders and CEOs and end up creating low-wage, temporary, or part-time jobs.



What We Should Do

Put People to Work Building

A nationwide jobs program that puts people to work building and repairing roads, bridges, dams, and other structures is one of the simplest and most effective steps that government can take. And this country needs it. Too much of its physical infrastructure is crumbling.

“The U.S. economy is a \$20.5 trillion behemoth, and the nation’s infrastructure is the scaffolding upon which it depends,” wrote Samuel Stebbins in *USA TODAY*. “In many parts of the country, however, years of neglect have left critical transportation infrastructure in a state of serious, often dangerous, disrepair.”

Climate change has caused more floods, which overwhelm aging dams such as the Oroville Dam in California, where a spillway failure in 2017 forced the evacuation of 185,000 people and required \$1.1 billion in repairs; the estimated cost of repairs to prevent the failure would have been \$100 million. That’s just one of thousands of dams that need work.

With interest rates at historic lows, it’s an ideal time for the federal government to borrow the money for infrastructure repairs: it would put people to work and fix or build things we vitally need. A Georgetown University report estimated that a \$1 trillion investment in infrastructure would create at least 11 million jobs over 10 years, bringing a welcome boost of income to many families. State and local governments, which are more limited by balanced-budget requirements, could accelerate already proposed projects or pool their resources to launch new ones.

Such a program would create more than just construction jobs. Infrastructure projects require engineers, architects, food service, and many other kinds of support workers. In addition, local economies would get a boost from the

dollars spent by those workers, and the repairs themselves would have long-term positive impacts.

Get Money to Minority Businesses

Americans have learned a costly lesson about how systemic racism has affected Blacks and other minority Americans in multiple ways, not least economically. This option says that in order to rebuild—and improve—the economy, we need to ensure that minority small business owners have the same access to credit and other financial services as everyone else, if necessary, through a combination of local, state, federal, and private lending.

Part of the legacy of “redlining,” the system begun in the 1930s to segregate Black Americans in certain neighborhoods, is that Black small business owners, as well as other minorities, continue to encounter more difficulty in getting small business loans, business credit cards, and other financial services.

Even during the 2020 recession, a May survey by two civil rights organizations, Color of Change and UnidosUS, found that only 12 percent of the Black and Latino business owners who applied for emergency aid from the Small Business Administration reported receiving it.

All of this has contributed to a significant “wealth gap” between Black and White households. The Federal Reserve found, in 2016, that the median net worth of a White household was \$171,000, ten times the median net worth of a Black household, \$17,150. Even more troubling, the rate of Black homeownership has declined to pre-1970 levels.

This is a problem on which states and cities, as well as individuals, can have a real impact by using their business with banks as leverage to compel them to offer more loans and other financial services to minority business owners and better banking services for individual Black customers.



Improve Unemployment Benefits

One of the faults exposed by the pandemic is the states' inadequate unemployment benefit systems. Many US workers laid off in the COVID-19 recession had great difficulty collecting much needed unemployment benefits not only because the agencies were overwhelmed by the emergency, but because each state runs its own system; many were underfunded and antiquated, and in some states, the system was actually designed to turn away as many as possible.

When the pandemic layoffs hit, for instance, some states that tried to upgrade their unemployment insurance systems found that they were using woefully outdated computer systems and they couldn't find people qualified to fix them. Other states realized that a process designed to weed out fraudulent applicants was now hopelessly unwieldy in a situation with millions of genuinely unemployed.

Even when claims were paid, the amount workers received (before the federal stimulus kicked in) varied widely by state: the maximum allowed per week ranged from \$275 in Florida to more than \$700 in Washington state and New Jersey.



The system also has not worked well for self-employed or “gig economy” workers. According to a Gallup poll, 36 percent of American workers now report that at least part of their income is derived from the gig economy. While Congress expanded unemployment benefits to freelancers during the pandemic, it was temporary; legislators should create a long-term solution for this expanding part of the workforce.

This option says every state should immediately take a hard look at its unemployment agency and do what is necessary to keep it running smoothly. State legislatures should also look at how much they collect in unemployment taxes to ensure that it is enough to pay reasonable benefits.

Make High-Quality, Affordable Childcare More Available

Lack of childcare is one of the primary reasons for lost workdays and employees leaving the workforce entirely, according to a 2019 study by the US Chamber of Commerce Foundation. If getting the economy back on track is truly a top priority, state and federal governments need to put high-quality, affordable childcare within reach of more families either through direct government spending or some other form of subsidy.

Problems connected with childcare are also a long-term drain on the economy and on the US birthrate. In a 2018 survey conducted by the *New York Times*, the expense of childcare was the top reason young adults gave for having fewer children; it was cited by 64 percent of those surveyed. It was also one of the primary reasons given by those not having children at all.

The pandemic, which forced many childcare centers to close, made the problem worse while simultaneously highlighting the need. If we want to build a stronger, more equitable nation in the coming years, solving this problem would be a big step forward.



Trade-Offs and Downsides

- Taken together, pumping money into childcare, unemployment benefits, small business loans, and infrastructure means a huge amount of government spending that will increase the national debt and could lead to inflation.
- Big infrastructure projects take years to design and launch, and trying to accelerate them only invites corruption and environmental problems while leaving local communities out of the decision-making.
- Making unemployment benefits more generous and easier to obtain would allow some people to delay returning to work or choose not to work at all.
- Many small businesses can't get loans because their business plans are naïve or unworkable. Pushing banks to lend to them means throwing money away on enterprises destined to fail.

Questions for deliberation . . .

- 1 This approach aims to jumpstart the current economic system so we can return to the economy we had prior to the COVID-19 pandemic. But this system has produced enormous economic inequality and isn't environmentally sustainable. Do we really want to recreate the same system we had?
- 2 If we direct more government money to small businesses, is that fair to the millions of Americans who work for large companies and also face furloughs or layoffs?
- 3 Infrastructure spending provides a lot of immediate jobs, but should we really be building more roads and airports when it might be better to reduce travel and the emissions and wasted time it causes?



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Option 2:

Move to a Sustainable Economy



THE PANDEMIC FORCED AMERICANS into a different way of life. But, while we unwillingly drove less, flew less often, used less electricity, and generated less pollution, many of us were still productive. Thanks to the internet, we could get work done without meeting face to face.

This option says we have an opportunity to fundamentally reshape our economy and restart it on a stronger, more sustainable foundation.

We learned, in a way we probably couldn't have without the pandemic crisis, what we could do without and what we could achieve. Fossil fuel emissions worldwide were cut by 17 percent in April 2020, we drove 112 billion fewer vehicle miles, and electricity use for 2020 is forecast to drop by 4.2 percent.

That doesn't mean we should return to the extreme measures of the lockdowns, but many people can choose to dial back on some habits—such as commuting long distances to work every day—that clearly were not absolutely necessary.



At the same time, a public-private effort is needed to expand high-speed internet access, which is essential for working or attending classes from home, to every underserved community in the US.

What are some of the benefits of such a shift? It would:

- make the US less dependent on fossil fuels;
- contribute fewer greenhouse gases to climate change;
- build greater resilience and ability to solve problems; and
- bring rural and underserved communities to their full potential in our economy.

Perhaps the most pressing reason to make changes to the way we live is the threat of climate change. The US and the rest of the world face another crisis, potentially even more far-reaching than the pandemic, from the effects of climate change.

The past six years have been the globe's six warmest years since record-keeping began in 1880, according to NASA. The US has already seen the effects of change in more severe droughts and heat waves, more powerful hurricanes, and more frequent floods in many coastal regions.

But progress toward a cleaner, more sustainable economy is entirely doable, and already under way: the US Energy Information Administration noted that, for the first time, in 2019, the country used more renewable energy sources than it did coal, with nonfossil fuels accounting for 20 percent of all US energy consumption.

To help achieve the goals of this option and shift to a more sustainable economy, our schools, our universities, and our government, as well as private foundations, need to put more money and resources into math and science education in K-12 schools and provide more financial support for scientific research. We need more

young people to choose careers in math and science, and we need to demonstrate to every American how vital scientific progress is for putting the US in a better position to face future challenges.

The changes in habits forced by the pandemic have shown us how we can do things differently and make adjustments in the way we live to deal with the destructive effects of climate change. This option says we should seize on those lessons and revamp our economy to work smarter and cleaner for everyone.



A Primary Drawback of This Option:

Cutting back on commuting and business travel permanently will severely damage many businesses that employ tens of thousands of Americans.



What We Should Do

Let More People Work from Home

Abruptly, the pandemic forced many US workers into a situation that only a relative few had experienced before: they spent their entire workdays at home, walking from breakfast in the morning to whatever part of the house they used to work on a computer and seeing their coworkers only through video meeting apps.

A Gallup poll in April 2020 found that 62 percent of American employees were working from home, and 59 percent of those who did wanted to continue doing so as much as possible. Many said they appreciated having the extra time with their families, and a few said they would stick with the arrangement even if they made a little less money.

Christine Reilley used to wake up at 4:30 a.m. so that she could arrive at her office in Manhattan on time every morning, she told the *New York Times*. But while working remotely during the pandemic, she said, “I’m better rested. I can devote more time to my work. Just saving the time and money of commuting, I really like this, personally.”

One study by Global Workplace Analytics estimated that if employers let more people work remotely, the US

could reduce automobile emissions by up to 51 million metric tons of greenhouse gases a year.

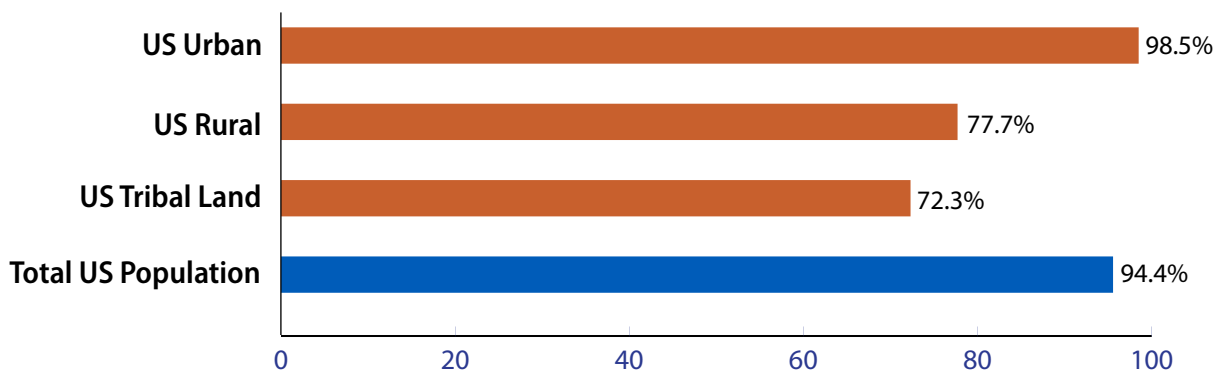
Clearly, we should recognize that this is not possible for everyone. Working remotely is not an option for people with manufacturing or service jobs, delivery drivers, or most health-care workers. But for those who can do their work remotely, companies should seize the opportunity and we should encourage it.

Expand High-Speed Internet

High-speed internet access is now widely considered a utility, like electricity or water, yet it is still out of reach for too many communities in the US. The Federal Communications Commission estimates that while 98.5 percent of people living in or near cities have access to broadband, just 77.7 percent of those living in rural communities do.

Without it, students don’t truly have access to online education or research, employees can’t work remotely, and doctors can’t fully extend telemedicine services to their patients. Farmers need the internet for accurate weather reports, remotely operated irrigation equipment, and tractors that run on software. In a survey of farmers by the United

Percentage of US Population with Access to Broadband in 2018



Source: Federal Communications Commission



Soybean Board, 60 percent said their internet service was too slow to run their farms effectively.

The internet is so pervasive in all parts of our lives, in fact, that it's impossible to list all the problems that lack of access causes.

It would cost about \$10 billion to expand high-speed internet throughout the rural US, according to a 2018 estimate by the World Bank, but full expansion could grow the nation's economy by 1.2 percent. The US GDP is about \$20 trillion, so this would be a potential growth of \$240 billion.

So that every community can fully take advantage of the internet's capacity in the 21st century, the government, in cooperation with private companies, needs to expand broadband access nationwide. The more people we can connect to broadband, the better it is for the entire economy.

Invest in Science and Science Education

In 2020 Americans recognized, once more, the importance of science in many aspects of our lives and its value both in human and economic terms. Suddenly, we needed to learn a great deal at once about a hitherto unknown virus, and laboratories around the world began a race to create a viable vaccine.

NASA's race to the moon in the 1960s, the creation of the internet, and other scientific breakthroughs all reaped incredible dividends, yet the US does not invest as much as it should in either research or science education. As *Forbes* magazine reported in 2019, the US ranks 28th out of 39 nations in government support for university research, compared to the size of the economy; it ranked 20th out of 39 in private support for research.

As a nation, we have also fallen behind in science education. In 2018, the Program for International Student Assessment, a test of 15-year-olds' knowledge in school

systems worldwide, found that US students ranked 37th in math proficiency and 18th in science.

"By fourth grade, one out of three children has decided that science isn't for them, and by eighth grade, it's half of all students," said Jena Olson, CEO of the nonprofit Kid Spark Education, in the *San Diego Union-Tribune*. "It's even more likely for girls, children of color, and children from low-income families, who don't typically get a lot of exposure to STEM at an early age."

This option says local school districts should put more money and staff into teaching math and science to K-12 students, especially in the early grades, when they are the most impressionable, and states should do all they can to support that effort. We need future scientists, engineers, and mathematicians to solve the problems that face us and to contribute to the economy.

At the same time, the federal government, private companies, and nonprofit institutions should put more money into basic research and development. The significant return on that investment has been proven over and over again.

Put an End to Sprawl

One way to reduce harmful emissions and use less energy overall is to work at home. Another is to clamp down on sprawl, making it easier for people to walk, bike, or take public transit to work.

"Sprawl requires us to spend more time and more money to reach the places we need to go," Alex Baca wrote in *Slate* magazine in 2019. "The strongest demonstration of this is the fact that Americans' jobs are far from where they live."

It would be better for our health, the economy, and the environment if we lived in denser neighborhoods, closer to jobs, shops, and public transit. This is a job for city planners and local zoning boards in both our cities and the suburbs and small towns around them.



Trade-Offs and Downsides

- Thousands of large and small businesses, from airports to sandwich shops, rely on income from business travelers and commuters. Keeping more people at home will cause layoffs and drive many of them out of business.
- Traveling less is just window-dressing when it comes to tackling climate change. What we really need is to phase out our use of fossil fuels such as oil and coal and invest in renewable energy.
- Private companies haven't extended high-speed internet to many small communities because it simply isn't cost-effective. Doing so means significant government investment just when local, state, and federal governments are swimming in red ink.
- Shifting more emphasis to science and technology in the schools sends a signal that social studies, languages, and the arts don't matter and could end up producing more narrowly educated individuals.



Questions for deliberation . . .

- 1 Encouraging working from home, living in denser communities, and focusing education on science and technology would be a major shift in how we live and to what we aspire. Is this really what most of us want for our own communities and for our families?
- 2 Are we willing to invest taxpayer dollars in the top-notch teaching, labs, and equipment needed to make science and math a centerpiece in our schools? There is already a nationwide shortage of math and science teachers.
- 3 It's still unclear whether people working from home work as hard as they would in the office. Are we risking a major hit to US productivity?
- 4 Many Americans simply don't want to live in apartment buildings or quasi-commercial neighborhoods. If governments pass laws to encourage denser environments—and spend taxpayer dollars creating them—is that fair to the millions of Americans who prefer single-family homes and traditionally suburban lifestyles?

Kosamtu/E+/Getty Images

Option 3:

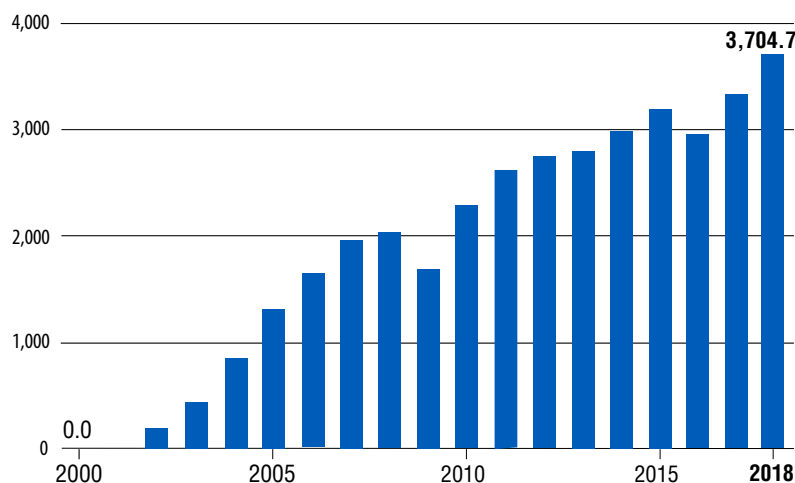
Put Domestic and Local Needs First



IF WE WANT TO BUILD a more prosperous nation after the pandemic, it is not only about how we live and work here at home; it's also about how the US conducts itself in a highly interconnected world. This option says the best course is to give first priority to our nation's interests, and that the responsibility for this should fall on all of us, including federal, state, and local governments; businesses; and individuals.

First, the US should change how it does business with other nations. In the decades since World War II, the US has largely pursued a free-trade policy that avoided imposing tariffs, which allowed American companies to move factories overseas and to open our markets to products from around the globe, no matter where or how they were made. This has been good for the bottom line of many companies and their shareholders, and it has driven down prices for many products that Americans buy, but it has come at a cost.

US Jobs Displaced by the Trade Deficit with China since 2001 (in thousands of jobs)



Source: Economic Policy Institute analysis of International Trade Commission and Bureau of Labor Statistics data

Between 2001 and 2018, the trade deficit with China cost US workers 3.7 million jobs, the Economic Policy Institute found, especially in the computer and electronic parts industry. Those job losses cost US families \$37 billion a year in lost income.

“Trade wars, like shooting wars, shouldn’t be avoided with preemptive surrender, which is what the free-trade regime amounts to for America’s long-term security and middle-class prosperity,” wrote Daniel McCarthy, editor of the journal *Modern Age*, in a *New York Times* op-ed. “Steel towns throughout the Northeast and Midwest have been losing a trade war for decades because they cannot count on their leaders in Washington to fight for them.”

During a period when so many are unemployed, Americans also should look closely at how many people we admit from other countries. The share of immigrants in the United States is close to an all-time high, according to the Pew

Research Center: in 2017, 13.6 percent of the population was born in another country.

Clearly, at least some of those immigrants take jobs that Americans could do. During the pandemic, the US halted most immigration. According to this option, the federal government should continue to dial back the flow of immigrants until we are sure we can find jobs for all those who already live here.

Finally, one of the most effective ways to promote American interests is with our buying habits, even if it costs more. If consumers buy fewer products made overseas, US companies have less reason to sell them, and our

trade deficit will improve. In a survey by *Bloomberg News* in 2020, 78 percent of Americans said they would be willing to pay more for goods if companies moved their production out of China.

Each of us should follow through and make that promise a reality. We should look at where products are made and choose to buy American. Even if it costs more, all of us now need to place the interests of our nation and our communities first in the way we do business, run our towns and cities, and deal with other countries.

A Primary Drawback of This Option:

Many American jobs and companies depend on robust international trade and exports abroad. This will hurt us in the long run through trade wars, loss of allies, and the loss of the vibrancy and distinct American character that comes from immigration.



What We Should Do



Use Tariffs and Taxes to Bring Jobs Back

Free trade sounds good, especially since the internet has made it so much easier to buy what you want from anywhere around the world. But the cost of free trade in American jobs is too high, and tariffs are a useful tool to keep jobs here or bring them back.

We also should remember why products from China and other countries are cheaper. Their workers are paid less; their governments are less concerned about health, safety, and environmental issues; and their governments support companies financially in various ways to keep those products cheaper.

That's why tariffs, when used appropriately, can make trade more equitable. A tariff isn't a ban; it's simply a type of tax on imported goods to make them more expensive and less financially competitive with US-made products. When you look for a flashlight at the hardware store, you might be

tempted to buy an imported one because it's cheaper, but a tariff may raise its price enough to make the US-made flashlight look like a better buy.

Yes, this likely will hit many of us a little harder in the wallet, but it means that more good jobs will be available for our families and neighbors. And it does work. Thanks to increased tariffs, in 2019, the US reduced its imports from China by 17 percent, shifting the balance of trade in the right direction, according to a study by the international consulting firm Kearney.

Another method is through taxation: the US should use tax incentives and penalties to pressure companies to bring manufacturing back here. Aside from creating more jobs, we saw during the pandemic that the US needs certain essential products, such as ventilators and high-grade medical masks, produced within its borders.

A number of US manufacturers say Chinese competitors have been stealing intellectual property and have a built-in cost advantage, which they use to slash prices and undercut US companies. They favor imposing targeted tariffs on their Chinese competitors to help address long-standing unfair trade practices.

Adam Glanzman/Bloomberg/Getty Images





Tighten Immigration Rules

Immigration has had many positive effects on the US, and many immigrants have started their own companies and even become billionaires in the process. Others have contributed significantly to our scientific and cultural progress.

Yet the US needs to be clear-eyed about when immigration helps and when it does not. As we rebuild the economy, this option says, our laws should give higher priority to US workers, both documented and undocumented, than those from other nations.

“For many Americans, the influx of immigrants hurts their prospects significantly,” wrote George J. Borjas, professor of economics and social policy at the Harvard Kennedy School, in *Politico*. He added, “Because a disproportionate percentage of immigrants have few skills, it is low-skilled American workers, including many Blacks and Hispanics, who have suffered most from this wage dip. The monetary loss is sizable.”

Borjas noted that after a chicken processing plant in Georgia lost a large part of its workforce in immigration raids, the company’s new want ads in the paper offered higher wages than it had paid before.

This in turn boosts wages for many workers, not just those in direct competition for specific jobs. Higher wages at a chicken processing plant mean that other employers in the region may have to raise their pay to compete for the same workers.

At least a million legal immigrants, including 65,000 on “specialty visas,” arrived in the US each year before the pandemic. At least until the nation returns to full employment, we should continue to reduce the overall number of immigrants, including those on specialty H-1B visas, who are typically better educated and trained in high-tech and other kinds of specialized skills. This would give an advantage to Americans

in all kinds of occupations from farmworkers and hotel workers to software engineers.

Buy Local

As we rebuild the US economy, it’s important to remember to buy American and to buy locally. That goes for each of us individually, but it also applies to state and local governments, which are expected to spend at least \$3 trillion in 2020.

When we make a habit of spending locally, it’s one of the best ways to ensure that jobs are saved and new ones created. A study in Phoenix, Arizona, found that when the city switched from a national company to a local one, it tripled the local economic impact of the contract, which in turn led to higher city revenues.

Some states and cities already give preference to local contractors. Los Angeles automatically treats local bidders as if they were 8 percent cheaper than out-of-town bidders.

But that isn’t universal. The Institute for Local Self-Reliance found that some local governments bought copy paper online when they could have paid two-thirds the price at local office supply stores. A national office supply chain was forced to refund more than \$2 million to the state of California for similar overcharges.

Shawn Wathen, an independent bookstore owner in Hamilton, Montana, asked the Ravalli County commission where it bought books and other supplies. County commissioners were as surprised as he was to discover how much they bought online and immediately adopted a buy-local policy.

“Three books are not going to keep my doors open,” Wathen said in the *Ravalli Republic* newspaper. “Most of it was spent on office supplies [and] fax machines. [But] most of it could have been purchased locally. In turn, that money could have contributed to the economic viability of the community.”



Trade-Offs and Downsides

- In a globally competitive world, increasing US tariffs and taking a demanding posture with allies could actually hurt American workers. Companies in many other countries produce the goods we sell.
- Protecting American companies from foreign competition can lead eventually to less selection, higher prices, and shoddier goods. International competition is good for innovation and for consumers.
- Many American companies in technology, agriculture, and other industries have called for increased immigration because they can't find workers for the jobs they have now. It's not realistic to assume out-of-work Americans are trained or willing to take these jobs.
- The United States has thrived as a result of welcoming immigrants from around the world, and this is part of our heritage. This option would likely hurt US companies, drive down the birth rate, and generally change the vibrant character of American life.

Questions for deliberation . . .

- 1 This approach risks choking off free trade and instigating trade wars that could lead to lost jobs and company bankruptcies right here in the United States. Are we willing to risk that?
- 2 Does free trade lead to more business and good jobs, or does it invite other countries to take advantage of the US? Don't all countries look out for their own best interests?
- 3 Immigrants often fill low-paying jobs in hotels, factories, households, childcare, and elder care. Are we willing to increase the pay for these jobs so they will be more attractive to American-born workers? Should we increase the pay for these jobs no matter who fills them?
- 4 This option argues that the US should be more independent in the world and more forceful in advancing explicitly American interests. But would we be better off cooperating with other countries to enforce free trade, copyright protections, and workers' rights?



Closing Reflections

BEFORE ENDING THE FORUM, take some time to revisit some of the central questions this issue guide raises.

The \$20 trillion US economy is a complex machine, and tinkering with it in the ways suggested here can produce many different outcomes.

No one, not economists, elected officials, business leaders, or typical citizens, can predict or control all the possible consequences. That means it's even more important to think carefully about questions such as these:

- We can't do everything, so what matters most to us?
- Since all our choices have trade-offs, what kinds of decisions and actions will most likely enable our communities and our country to prosper?
- How will our decisions affect our community, and how would they affect other, very different communities?
- What are the risks of the ideas we tend to support? Could some of them have unintended consequences?
- Are there perspectives in the ideas we oppose that we need to consider and take into account?
- How will our decisions today affect the next generation and the generations after that?

Other important questions to consider are these: On what do we agree? About what do we need to talk more? Whom else should we hear from? What else do we need to know? How do the ideas and options in this guide affect what we do in our work lives and our family lives, as members of our communities, and as active participants in the US economy?



Summary

Option 2:

Move to a Sustainable Economy

THE PANDEMIC SHOWED US A DIFFERENT WAY OF LIFE. Even while driving less, flying less, using less electricity, and generating less pollution, many of us were still productive. Thanks to the internet, we could get work done without meeting face to face. This option says we should seize on those lessons and start revamping our economy to work smarter and cleaner for everyone. Too many underserved communities lack high-speed internet, and we aren't putting enough emphasis on scientific skills and technology, which are vital to our economy and to our health.

A Primary Drawback

Cutting back on commuting and business travel permanently will severely damage many businesses that employ tens of thousands of Americans.

ACTIONS

Encourage employers to invest and reorganize so more people can work from home.

Expand high-speed internet service nationwide, especially to rural counties and minority neighborhoods.

School districts should place more emphasis on math, science, and technology—the keys to the future.

Cities should restrict suburban development and increase neighborhood density so that more people can walk or bike to work.

What else? What could we do, especially on a community level?

DRAWBACKS

This will hurt the small businesses and restaurants that depend on workers to be there and could kill off many downtowns.

We would get a very small return on a very expensive investment from local governments that are already in debt or struggling.

This would be at the expense of equally important subjects and would create narrowly educated individuals.

This would be a massive disruption in people's lives and potentially displace minorities and minimum-wage workers when rents go up.

What's the trade-off if we do that?

Summary

Option 1:

Jumpstart the Economy

THE SUDDEN, DRASTIC HALT IN 2020 WENT BEYOND A CONVENTIONAL DOWNTURN IN ITS SPEED AND SEVERITY, AND OUR RESPONSE NEEDS TO MATCH THAT. We need to focus on restoring and creating jobs, strengthening employers, especially small businesses, and supporting workers, especially minority workers who lost jobs at a much higher rate than White workers. Business owners can expand their operations if we give them the tools and the financial support. Working families can survive if we help support them until they get their jobs back or find new ones.

A Primary Drawback

These strategies have been tried many times. They are more likely to benefit stockholders and CEOs and end up creating low-wage, temporary, or part-time jobs.

ACTIONS

Put people to work fixing and building roads and bridges.

Make sure unemployment covers everyone, including part-time workers and the self-employed, and that it provides a decent cushion so people have enough time to find their next jobs.

Increase state and local funding for small business loans to minority-owned businesses, and pressure commercial banks to do better.

Make high-quality childcare programs available to all families regardless of income so they can get back to work.

What else? What could we do, especially on a community level?

DRAWBACKS

Federal and state governments are already in debt. Now is not the time for this kind of spending.

People who don't really want to work will take advantage and delay going back to work.

Even when money is available, banks always make it harder for minority business owners to get loans.

This is a new government obligation that spends taxpayer dollars on childcare for affluent families that could afford it themselves.

What's the trade-off if we do that?

Summary

Option 3:

Put Domestic and Local Needs First

ALL OF US NEED TO PLACE THE INTERESTS OF OUR NATION AND OUR PEOPLE FIRST in the way we do business, run our towns and cities, and deal with other countries. Too many other nations, especially China, have used free trade to take advantage of our companies, and it has seriously damaged manufacturing and lowered wages. We should employ tariffs to protect US companies, push executives to keep more manufacturing here, and reduce immigration when it takes jobs away from our citizens. Each of us also needs to ask how we could put more of our money into American companies.

A Primary Drawback

Many American jobs and companies depend on robust international trade and exports abroad. This will hurt us in the long run through trade wars, loss of allies, and loss of the vibrancy and distinct American character that comes from immigration.

ACTIONS

Increase tariffs on foreign products that compete with American products.

Reduce immigration and the number of visas granted to specialty workers.

Use tax breaks and subsidies to bring more manufacturing back to the US.

Cities and towns should buy and hire locally, and require their suppliers to do so, too.

What else? What could we do, especially on a community level?

DRAWBACKS

Raising tariffs would cause other countries to retaliate, damaging our ability to export our own products.

This could hurt us by depriving us of necessary workers in agriculture and service work and change the very character of the country.

This could be a government giveaway to corporations. Moreover, products made here will cost consumers more.

Cities and towns should use local tax dollars wisely. That means getting the best price and quality even if it comes from out of state.

What's the trade-off if we do that?