Discussion Guide: *The Forgotten Americans* by Isabel Sawhill

Optional resources for pre-discussion reading and reflection

What the forgotten Americans really want–and how to give it to them (brookings.edu)

Thought questions to consider in advance of our discussion:

Sawhill says the social contract between government and the people isn't working properly for many. Do you agree? How do you think this relates to political polarization?

> "When trust evaporates, we lose the ability to manage social and economic changes that require a collective response. It becomes a vicious circle. The less responsive government is to people's real concerns, the more their trust in it wanes. And without that trust, nothing much can be done. Paralysis or a symbolic or rhetorical politics that doesn't effectively address the problems people care about takes over."

One of Sawhill's ideas for addressing polarization is a national service program that includes a "cultural exchange" component where young people live with a family different from those in their own community. How well do you think this would work?

What do you think of Sawhill's overarching principles and approach?

1. **Emphasizing work:** making benefits contingent on work

2. **Fiscally responsible:** each proposal is paid for without adding to the national debt.

3. **Encouraging family and marriage,** especially having a stable marriage before having children. Removing marriage penalties from the tax code and from social safety net programs.

4. **The "success sequence":** graduate high school, get a full-time job, get married, and only then have children.

5. Making proposals that she thinks will appeal to both Democrats and Republicans because they are based on three widely shared values: **family, education and jobs.**

How do Sawhill's core principles relate to her specific proposals? What do you think of her proposals?

1. **Skill building and jobs for the future.**

○ **GI Bill:** Increase funding for career and technical education [, particularly for the skills current automation requires]: adjustment assistant including retraining, relocation, apprenticeships, wage insurance." Funded by state/local government and by employers.

2. **Creating jobs and rewarding work.**

○ “**Create jobs:** Maintain full employment; jobs of last resort linked to the use of the safety net.”

○ “**Worker credit:** Refundable 15 percent credit to workers up to a maximum of $1,500 per year; phase out as earnings rise to $40,000 per year; delivered as part of paycheck, offsetting payroll taxes.”

○ Funded by: “increase taxes on estates and gifts to meet level of revenue from 1972 (7% of estates were taxed in 1972); other options include a carbon tax or VAT.”

3. A bigger role for the private sector.

○ **“Inclusive capitalism:** Encourage private companies to share profits and ownership and train workers….Corporations receive credits if they offer these benefits.”

4. **A new role for social insurance** via two new employee accounts.

○ “**Lifelong learning account:** New funding for pursuits such as retraining.”

○ “**Paid leave account:** New funding for up to 12 weeks of job-protected, paid time off to care for a new child or ill family member or to recover from one’s own illness.”

■ Financed by: later retirement, benefit reductions for high earners, changing COLA, raising payroll taxes.