

BUILDING BRIDGES Group at The Pinehills

Bridging the partisan divide through deep cross-partisan exploration of today's serious threats to US Democracy.

Session 4 July 7, 2022

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Where are we?

Define Problem and Agree on Method

[5/16] Introductions
and Foundations

Apply Methods to INCOME INEQUALITY

[6/6]
Triad Engagement

[6/20]
Caucuses (L, M, C)

[7/7]
Fishbowls (L, M, C)

Conclude Learnings

[7/18]
Final Triads
[8/1]
Feedback Session
(optional, on zoom)

Tonight's Agenda

- *Share* introduction and guidelines for the *Fishbowl* process
- *Conduct* sessions where each of the three Caucuses shares and discusses their Income Inequality messages as follows:
 - Share **experiences** and **influencers** that shaped our personal **values** and **beliefs** framing Income Inequality
 - Share our personal **vision** of the desired **outcomes** for Income Inequality
 - Suggest possible **actions** and **paths** to attain your desired outcomes with brief **assessment** of pros and cons
 - Foster limited Q&A dialogue for better understanding only
- *Discuss* preparations for next session

The *Fishbowls* (3 x 30 minutes)

- 20 Minute Overview (present only, no dialogue)
 - Experiences and Influencers
 - Values and Beliefs
 - Vision and Outcomes
 - Actions and Paths
 - Assessments
- 10 Minute Questions and Answers
 - 2 caucuses x 2 questions each
 - Per *all* our principles, especially:
 - For understanding, not for making points to support your position
 - From curiosity, not from contempt

See handout for details ➔

Review: Our Agreed Top Civil Discourse Principles

- Take winning off the table
- Seek to understand
- Honor the fact of multiple truths
- Embrace your discomfort and vulnerability
- Prioritize relationships over ideas

Introducing: Full Spectrum Conversations

- **Experiences** – share events and influencers that shaped your personal values and beliefs on the issue
- **Values** – identify your defining values and beliefs, that frame the issue
- **Vision** – share your description of the desired outcomes to resolve the issue
- **Paths** – suggest possible alternative paths to attain your desired outcomes
- **Analysis** – assess the strengths and weaknesses of your proposed paths

SUGGESTED TOOL ... #1

Replace Contempt with Curiosity

In response to another person's comment

When you feel contempt ...

... identify it

..... replace it with curiosity

..... and ask a non-inflammatory "why?" question

Repeat as necessary

SUGGESTED TOOL ... #2

Avoid DIVISIVE language and terminology

Why?

- Reinforces stereotypes
- Fosters group think
- Makes accurate disagreement difficult to achieve
- Contributes to mutual incomprehension
- Uses language for virtue signaling and in-group bonding
- Replaces authentic expression with formulaic expression
- Communicates instantly a colorized persona

Conservative Caucus

Steve Anderson, Caucus Leader

The Conservative Caucus Team

Experiences and Influencers

- Parents, teachers, clergy, mentors – examples, advice, guidance
- Life experiences – disappointments, struggles, initiative, determination, opportunities
- Observations –
 - not everyone has the same opportunities
 - dependency is contagious
 - an organization's first purpose is survival
 - government can be non-responsive

Values and Beliefs

- Hard work, diligence, dedication, and risk must be encouraged, rewarded, and valued
- Being wealthy is no sin, as long as you pay taxes, 37.5%
- “Tax the rich to feed the poor, till there are no rich no more” discourages both the rich and poor from achieving their optimum best economic outcome
- The chance for upward mobility is essential. Chance but not a guarantee. A safety net is necessary.
- Income inequality has some value – unrecognized results cellphones, laptops, electric cars etc

Vision and Outcomes

- Statistics - that reflect total income for the poor, government aid, private assistance taxes paid by the wealthy
- Taxation –
 - eliminate earned income deductions that unreasonably favor the rich
 - eliminate the charitable deduction, tax university endowments
 - Don't change corporate or capital gains taxes.
- Government - accountable, small and effective

Actions and Paths

- Education
 - Each high school student must take a financial literacy class.
 - Increase the bottom 40%'s access to vocational high schools
 - More charter schools in economically struggling areas
 - Create a two-track high school graduation program, MCAS/nonMCAS pass
- Employment
 - Move federal and state agencies to economically challenged areas
 - Encourage employers that create good paying jobs ex. Microsoft
- Recognize that income equality is sometimes in conflict with other laudable goals, environment, foreign aid, price support for agriculture
- Being poor is time-consuming. Streamline assistance.

Assessments

- Greater chances for employment will reduce poverty for those who accept the opportunity
- Increased high school graduation rates will benefit individuals and the community
- Increased taxes on the rich will decrease employment in certain parts of the economy

Liberal Caucus

Fran Barton, Caucus Leader and Theresa McManus, Session Moderator

The Liberal Caucus Team

See also →

- In the Supplemental Handout
 - Theresa McManus – Additional Values and Beliefs Details
 - Kevin Walsh – Additional Paths and Action Details
 - Kevin Walsh – Additional Assessment Details

Experiences and Influencers

- There seemed to be no common experiences that would lead one to a progressive view
- There was a definitive way that progressives respond to their experiences noted as follows:
 1. Open to change and variety – not bound by rules
 2. Feel a fundamental responsibility to their fellow persons
 3. Materialism is secondary to a respect for inclusion

Values and Beliefs

- Education
 - will hone critical thinking capabilities thus
 - leading to the realization that they can bring about change in their own lives and in the life of their community.
 - fostering the notion that they can be successful and have a happy life
 - specifically – education will provide skills and schooling to all
- Compassion
 - The American political and economic system does not require that we share in any way other than paying our taxes.
 - Because Liberals believe that we have an obligation to provide care for all, tax reform is essential.
 - Capitalism needs to be curbed so that the well-being of employees rather than monetary gain is the motivation of business leaders.
- Government support and regulation is essential
 - IE invariably leads to higher crime rates, political corruption, health problems and general, an unhappy, unsettled, and an unproductive citizenry
 - Socialism is not a dirty word! Already we benefit from socialistic government programs such as police, schools, libraries, health services, fire departments, military defense, medicare, and medicaid.
 - Governmental social safety net programs are called ‘socialism’ and thereby discredited.
 - Supporting the less advantaged is necessary to overcome income inequality.
- Other Liberal values
 - Tolerance, Women’s rights, Prison reform, Equal opportunity, Criminal justice reform,, diversity, what constitutes ‘moral’ behavior?

Vision and Outcomes

- We have a vision for a country that tries to see that everyone’s basic needs are met, government supports education and employment, and all Americans have equal opportunity and equal protection under the law. It is a generous and compassionate nation working diligently to reduce income inequality, promote fairness, and respect for each individual

EVERONE’S BASIC NEEDS ARE MET

- Food security
- Decent housing
- Universal health care
- Daycare support
- Parental leave
- Elder care

EDUCATION AND EMPLOYMENT

- Support education for all from pre-school through college
- Promote trade schools and alternative training
- Increase minimum wage
- Protect the right to unionize
- Encourage employee profit sharing
- Treat labor as partners, and stake holders, not a commodity

EVERYONE HAS EQUAL OPPORTUNITY & EQUAL PROTECTION UNDER THE LAW

- End discrimination
- Live up to the words of the Declaration of Independence and the 14th amendment
- Protect voting access
- Take the money out of politics

Actions and Paths

- Tax and Corporate Reform
 - Individual tax reform
 - Minimum Federal Corporate Tax
 - Eliminate Corporate stock buybacks -Illegal until 1982
 - Stakeholder Capitalism not shareholder capitalism
- Education
 - Universal Pre K
 - Low cost Community Colleges / Trade schools
 - Increased mental health resources
- Health Care
 - Expanded Medicaid in every state
 - Improve affordable health care act-reduce number of uninsured
 - Reduce cost of prescription drugs

Assessments

Action or Path	Pro	Con
Tax and corporate reform	<ul style="list-style-type: none"> Increased revenues to fund the programs for the poor and middle class. Companies will invest more in their employees and less in enriching CEOs and executives 	<ul style="list-style-type: none"> Economic Growth Impact on stocks
Education	<ul style="list-style-type: none"> Early education will help to give everyone a chance reducing poverty and income inequality Community Colleges/Trade schools will help to provide the skills needed to restore a vibrant middle class 	<ul style="list-style-type: none"> Cost
Health Care	<ul style="list-style-type: none"> Improved health of lower income population and middle class will allow them the opportunity to be more productive citizens. Reduce health care costs for lower income population and middle class. 	<ul style="list-style-type: none"> Cost

Moderate Caucus

John Decker, Caucus Leader

The Moderate Caucus Team

Experiences and Influencers

- Background
 - Early experiences and influences
 - Similar stratum
 - Immigrant legacy
- Work ethic and financial prudence
 - Early work ethic and experience
 - Managing finances
 - Means to success.
- Opportunity allowed for positive future
 - Availability.
 - Received help
 - Appreciation and giving back

Values & Beliefs

Top Three

- Work Hard for yourself, your family, your community, and the people of the larger world.
- The Social Contract (Golden Rule, Ten Commandments, Compassion, living by the dictum of the greatest good for the greatest number. Community and Interconnection: No one is an island.
- All US citizens and participants in the US economic system owe a significant debt to that system....Our current economic and legal system is largely tilted towards those who already have wealth and are determined to keep it.

Other Elements:

- Two views on Government:
 - Governments are grossly inefficient and generally provide a poor return on investment
 - Governments, inefficient as they are, often are the only way to provide critical services as the private sector is uninterested or unable (e.g. Social Security).
- Human ingenuity has made life better for more people on the planet than ever before. It has also led to grave, existential challenges. As humans are endowed with brains and will, so we are the only solution.
- This country will collapse if the bottom 20% are not better incentivized.

Vision and Outcomes

- Our vision is to successfully facilitate economic advancement via both opportunity and then income/wealth equity of the financially marginalized members of our society
- This vision would not only succeed in a vast increase in the contribution by this group to our tax revenue base, but also reduce the need by this group to depend on assistance programs, saving our tax base additional dollars

Actions and Paths (specifics follow)

- Advance Minimum Living Standards
- Address Tax/Legal Challenges
- Influence Corporations and NGOs
- Mobilize Citizen involvement

Advance Minimum Living Standards

Advancing Minimum Living Standards for all individuals and families through a carefully orchestrated set of programs and services including:

- increase minimum wage: This has improved the economy where implemented financial support for equitable sustainability
- financial support for equitable sustainability
- basic healthcare
- food security – SNAP and others
- daycare for small children and frail adults, Introduce child-care coverage for working parents
- adequate housing
- quality education including vocational tracks and financial education
- maintaining/improving voter access
- Limit predatory lending, cap interest on payday loans, etc.

Mass. is one of 25 states that has NO requirements for high school graduation for any understanding of personal finance - including the potential pitfalls of credit card use, the implications of long and short term debt and borrowing, and similar issues.

Address Tax/Legal Changes

- Change the capital gains tax to an income tax or create a progressive capital gains approach
- Reverse the 2017 Tax Cuts and Job Act or eliminate the phase out of lower income provisions Increase the top brackets to pre-Job Act levels.
- Expand the Earned Income Tax Credit and clarify/improve the Domestic Production Activities Deduction
- Promote term limits for elected officials
- Increase transparency for political donations
- Overturn/replace/constitutionally amend the Citizens United decision
- Provide partial tax credit for corporate vocational skills training
- Close estate tax loopholes
- Limit corporate stock buybacks to pre 1980 levels

A simple change to the carried interest rule from a 20% rate to a 37% rate would increase taxes by \$180 Billion each year and would pay for the living standards proposals

Influence Corporations and NGOs

Influence Corporations and NGOs – It’s unlikely that the market will lower the pay of CEOs, the best athletes, rock musicians, and movie stars

- Support the growing trend toward broader stakeholder value and enlightened leadership
- Research indicates companies and investors that embrace ESG principles outperform less enlightened companies
- Support SEC scrutiny of ESG metrics for pre-public and public companies
- Support ethical investing – pressure investors, endowments, foundations, and pension plans to leverage “say on pay” provisions for executive compensation
- Similarly, watch institutional Shareholder Services (ISS) and other proxy advisory services to promote more reasonable executive compensation
- Encourage companies to increase the minimum wage, reduce systemic hiring discrimination, and eliminate in most cases the requirement for a BS or BA degree
- Enforce existing FTC M&A regulations
- Companies, and particular social media and media, should place their ethical responsibilities at the same level as ROI. Social media companies should change their payment structure to limit a maximum payout for false or inflammatory websites.

Mobilize Citizen Involvement

- Vote, vote for more flexible candidates willing to negotiate
- Expand your sources of information
- Buy/invest ethically according to your values
- Contribute more to nonprofits and participate in bridging-the-divide activities.
- Pay attention to the proxy voting forms you receive and look for “say on pay” voting opportunities
- Act personally and locally!

Assessments – Cons to Proposed Actions

- This is a complex problem
- We live in anxious times, when fearful people are not optimistic about change
- Media / social media tend to reduce many societal concerns to slogans, creating headwinds for thoughtful discussion, specific solutions and potential compromise
- Our political and lobbying system is tilted towards corporations and the already wealthy. It is not evil wealthy people who steal society's money, they are simply following the laws created by our elected representatives
- The Federal government is clearly dysfunctional at present and unlikely to address issues without significant voter pressure
- In world history, income inequality has been regularly addressed and sometimes partially solved. Unfortunately, any historical corrections have often included war, revolution and death

Assessments – Pros to Proposed Actions

- People can and often do act in selfless ways if they understand the problem, so education around the topic is key. We can act at the individual, local, and state level.
- Creation of a stable middle class that enjoys the dual opportunities of security and mobility is in the best long-term interests of our country and economic system
- We have the means to make lawful change by voting, and voting for more moderate candidates on both sides of the spectrum
- We can individually and in groups bring legal, political, social, and market forces to bear
- We can choose to re-frame the IE argument by positioning it as ethical, responsible, patriotic, and beneficial for the greater good.

Wrap-up

Summary of the night

Expectations and preparations for next Session #5 on 7/18

Go To:

www.BuildingBridgesPH.com

The Building Bridges Group at the Pinehills



- Session Details
- Slides, Handouts
- Complementary Content

Principles Handouts

Framing of the Income Inequality Issue

What are your underlying values and beliefs?

IMPACT

- Democracy
- Health
- Happiness & Joy
- Economy
- Inequality
- Racism
- Competitiveness

CONSIDERATIONS

- Economic System
- Personal Freedoms
- Meritocracy
- Rights vs Privileges

INSTRUMENTS

- Taxes
- Minimum Wage
- Healthcare System
- Economic System
- Income redistribution



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