



## **AMERICAN DREAMERS:**

### **“SINCE SLICED BREAD” AND THE OPPORTUNITY ECONOMY**

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**With thanks to the 22,000 contestants of Since Sliced Bread, and to Hope Street Group volunteers around the country who contributed their reactions and ideas.**

## **A New American Dream Machine: Since Sliced Bread and the “Opportunity Economy”**

Recently, the Service Employees International Union (SEIU) challenged ordinary Americans to submit their best idea “Since Sliced Bread” on how to strengthen the economy and improve the lives of working Americans and their families. In a testament to the vitality of civic America, over 22,000 responses poured in from every congressional district in the country – and from every geography, political affiliation, age, and socioeconomic background.

The SEIU turned to Hope Street Group to provide a thematic assessment of this extraordinary avalanche of ideas. Hope Street Group leaders and members embraced this challenge because we believe that bold, innovative solutions are urgently needed to transcend the polarized debate in Washington and create a consensus on how to expand growth and opportunity in today’s dynamic global economy. We were honored to help with the Since Sliced Bread contest’s unusually innovative approach for bringing the “kitchen table” ideas of ordinary Americans into the public debate. Hope Street Group volunteers from all over the country volunteered their time to review hundreds of submissions, and Hope Street Group wrote an essay for the Since Sliced Bread website discussing the common hopes and concerns that emerged from the contest ([www.sinceslicedbread.com](http://www.sinceslicedbread.com)).<sup>1</sup>

In this paper, we aim to build on the contributions of the Since Sliced Bread contestants by proposing a framework for how Americans should think about opportunity and prosperity.

The contest itself begged the question, “How well can we achieve the American Dream at a time of enormous economic, social and political transformation?” Americans seem to think that we need to update the approaches our parents and grandparents relied on to achieve this dream. While the Since Sliced Bread contestants were resoundingly clear on their most important hopes and concerns, they were much more conflicted the best tactics for realizing their goals. Is it through new government programs? Is it through new regulations or mandates on business? Is it through a mix of incentives and market-based solutions? Is it through citizen action and volunteerism? The contestants proposed ideas using all of these methods, and more.

In this paper, we aim to integrate the ideas proposed by Since Sliced Bread into the national policy debate on increasing economic opportunity and prosperity by proposing a framework for our public policy debates that keeps the concerns revealed by the contest front and center, while building a more robust, integrated set of solutions.

Hope Street Group is uniquely positioned to build on these papers to suggest a robust, integrated approach for reviving the American Dream. As a nonpartisan, nonprofit organization of young business professionals dedicated to expanding economic opportunity in a high growth economy—what we refer to as an “Opportunity Economy”—we are always looking for bold, innovative solutions that will help our country achieve those goals. In an Opportunity Economy, people are encouraged to take risks to invest in themselves and their families, and to better their condition. Opportunity Economics solutions, which Hope Street Group develops and promotes, are aimed at ‘operationalizing’ the American Dream in the 21<sup>st</sup> Century.

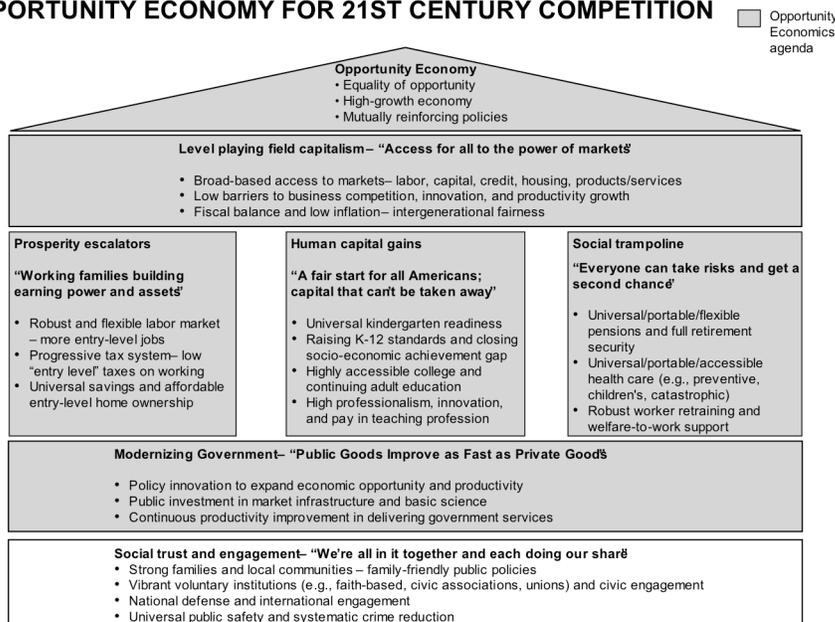
The remainder of this paper presents the underlying elements of an Opportunity Economy, and shows how the Since Sliced Bread ideas fit into that larger framework.

## Oiling the Gears of the American Dream Machine: Putting the Best Ideas Since Sliced Bread into Action

America’s economy at the start of the 21<sup>st</sup> Century is undergoing dynamic changes in response to global forces, changes that are creating both tremendous opportunities and challenges for American workers. While job growth in the low and high-skilled sectors is expanding, middle-class jobs are becoming increasingly scarce. Returns to human capital are rising, and yet many of our youth are finding education unequal and inadequate for the high-skilled jobs being created. Returns to assets are also rising, but access to markets remains highly unequal. And household income volatility—the yearly amount that a household’s inflation-adjusted income varies—has more than doubled since the early 1970s. In addition, short-sighted political reaction to such uncertainty risks stifling the competitive environment that is most responsible for rising productivity and *per capita* income. In short, the American Dream—that with hard work one’s family can achieve upward mobility and a middle class life—is becoming increasingly out of reach for millions of Americans. In plainer language, these realities and concerns surface again and again in the concerns raised and ideas proposed by Since Sliced Bread contestants.

So, how can the best ideas Since Sliced Bread be put into action? How can we tune up “the American Dream Machine” for the 21<sup>st</sup> century? How can we build the Opportunity Economy that so many of the Since Sliced Bread contestants were trying to describe? How can we harness the forces of innovation and competition that generate economic growth in tandem with the systematic expansion of opportunity to all Americans? In order to re-tool the American Dream, Hope Street Group embraces six themes that cut across specific issue areas such as health care or jobs or housing, and many Since Sliced Bread ideas reflected these six themes of an Opportunity Economy:

### THE OPPORTUNITY ECONOMICS VISION – BUILDING A BROAD-BASED OPPORTUNITY ECONOMY FOR 21ST CENTURY COMPETITION



### ***Level Playing Field Capitalism – “Access for all to the power of markets”<sup>2</sup>***

In order for our economy to meet the rising expectations implicit in the American Dream, innovation and competition must allow more consumer choices and higher productivity, year after year. Everyone must have a chance to participate in that market dynamism. Returns on investments – in new equipment, new technology, new workers, an education, a new home – will be widely accessible and not be undermined by excessive inflation or government borrowing.

Underlying most of the Since Sliced Bread ideas was a commitment to the value of hard work and the understanding that competing in markets creates wealth, choice and opportunities. Many of the ideas focused on giving people who do not have full access to markets a more level playing field. For example:

- **David Y.** of Indiana had the idea to create jobs and spur economic growth in inner cities through a program that would give derelict or abandoned properties tax-free for five years to people to be able to start businesses. Potential business owners would also be given low-interest loans to help offset the costs of starting a new business (idea #19004).
- **Iona F.** of North Carolina’s promotes growing America’s small businesses through her idea of exempting small businesses from sales and use tax during their first four months, having three months of small business tax exemption per year, and giving any business that expands after three years special earned credit on taxes (idea #22562).
- Round 1 finalist **Diana Nolen** wants to integrate personal financial management into the school curriculum beginning in first grade and continuing through high school (idea #10140).

If given real access to markets – whether to jobs, homes, business ownership, or financial assets – and the tools to compete in them, most ordinary Americans will seize that opportunity and expand the circle of innovation and competition to the benefit of our whole economy.

### ***Prosperity Escalators: “Working families building earning power and assets”<sup>3</sup>***

In an Opportunity Economy, young families and entry-level workers can climb the ladder of success, through hard work, thrift, and persistence. Public policies that increase the earning power, take home pay, savings, and assets of working families are essential to maintaining the reality of the American Dream. An enormous number of Since Sliced Bread proposals touched on some ‘prosperity escalator’ idea, particularly with reference to helping people to own their own homes and increase savings. Some example ideas:

- **Jay W.** of Alabama proposed that a portion of the money low-income families pay in rent to public housing be made available to them to purchase a home after a few years (idea #19282).
- **Robert F.** of Florida’s idea is to allow certain first-time homeowners a fixed-rate mortgage rather than one with compound interest, which would allow younger and low-income individuals and families to purchase a home (idea #23018).

- **Melanie J.** of Indiana’s idea for creating more low-income homeowners is to encourage them to purchase abandoned houses through a low-interest mortgage program (idea #10404).
- **Anonymous** of Wisconsin recommends that the U.S. government help give individuals a boost on saving for retirement by depositing \$1,000 into a social security account to accrue interest for every newborn citizen throughout his or her lifetime (idea # 222).

Prosperity escalators are the policies that allow workers and families just starting out to achieve the most sustainable economic progress – building savings and assets – from their hard work.

***Human Capital Gains “A fair start for all Americans; capital you can’t lose”<sup>4</sup>***

At the beginning of the 20<sup>th</sup> Century, it was ownership of financial capital – stocks, bonds, and land – that separated the prosperous from “the rest of us.” Now at the beginning of the 21<sup>st</sup> Century, in a far wealthier country, it is human capital – educational attainment, professional expertise, credentials, network and connections – that is critical to ensure that all children are equipped to participate in our society, and that adults have the skills required by our dynamic economy. The idea that every American should have a fair start at a chance to compete in life— is a compelling moral responsibility echoed in many ideas submitted to Since Sliced Bread:

- **Hillary M.** of Michigan proposed to offer state-funded preschool to every child between the ages of 3 and 5 through the public school system, suggesting that the cost of adding two new grades to the school system would be offset by the productivity of caregivers returning to the workforce (idea #21659).
- **Cindy M.** of Texas recommends providing every low-income apartment complex with a Toddler Intervention Program, which would have a literacy program and teach parents good nutrition and parenting skills (idea #21963).
- **Steven S.** in Oregon suggests defraying the cost of higher education and motivating students to work harder in high school by providing scholarship money to students who score high on Advanced Placement (AP) exams (idea #20794).

In the 21<sup>st</sup> century knowledge intensive economy, with returns to human capital rising, we can only begin to approximate equality of opportunity when high quality pre-kindergarten, K-12 education, access to college and advanced vocational training are widely available.

***Social Trampoline: “Everyone can take risks and get a second chance”<sup>5</sup>***

Ingrained in the idea of the American Dream is that everybody should get a second chance. Whether a person faces unemployment because they were laid off when their company lost out to new technology or competition, or had to stop working to care for a family member. Americans need policies that will allow them to bounce back from setbacks. We also need policies that reflect the reality of a dynamic economy, that do not and increase the costs of losing a job, or discourage workers from changing jobs or starting their own small businesses by tying health care benefits and pensions to specific employers. Portable and flexible pensions, retirement funds, and health care accounts, as well as robust worker retraining in the face of downsizing and outsourcing are just some of some of the ideas submitted to Since Sliced Bread:

- **Ruth U.** in Massachusetts proposes that every employer be required to pay a certain percentage of an employee's salary into a centrally managed pension fund, so that workers could continue to accrue retirement funds even if they change jobs (idea # 22634).
- **John Biddle**, whose idea made him a round one contest finalist, wants retirement assets to be owned and controlled by the worker. His proposal would allow any employee who chose to do so to allocate their retirement funds into an individual retirement account (idea #3714).
- **Brynne V.** in Florida has an innovative solution for worker retraining following a layoff: focus retraining efforts on the skills needed to operate a small business, offering workers training in management, finance and marketing skills and provide workers with low-interest loans, tax breaks, grants and the option to pool their resources and form cooperatives (idea #20304).

Even as the volatility of the economy has increased, millions of well-paid, well-educated US workers regularly take risks – starting businesses, going back to school, seeking a new job – to invest in themselves, and reap great rewards. Social trampoline policies for the 21<sup>st</sup> century will allow ordinary workers and families the freedom and security to realize their own full potential.

### ***Modernizing Government- “Public Goods Improve as Fast as Private Goods”***

From the “relief, recovery and reform” of Franklin D. Roosevelt’s New Deal in the 1930’s to the social reforms of Lyndon B. Johnson’s Great Society in the 1960’s, American government has always played an important role in facilitating the access of ordinary Americans to achieving the American Dream. But today, government services are clearly in need of a tune-up. Many doubt that the younger generations will be able to live as comfortably as their parents and grandparents did. And although Americans still look to their government for services such as public education, government reforms have not kept pace with the realities of our current volatile economy. Since Sliced Bread contestants want our government to be more responsive, innovative, productive, and to provide services that will give them greater value for their money:

- **Anonymous** in Ohio argues that modernizing mass transit and railroad freight infrastructure and converting public vehicle fleets to hybrid technology will reduce energy costs, create jobs, increase tax revenues and replace lost manufacturing jobs (idea #20839).
- **Donald B.** in California suggests streamlining federal and state governments into one single HR department to manage all personnel matters (idea #13604).
- **William M.** of Colorado suggested placing solar energy panels on the sides of schools to cut energy bills, and perhaps even sell the surplus energy to support the school (idea #13965), which combines the themes of making government more innovative, bringing new resources to our public schools, and creating a level playing field market for energy.

We have grown accustomed for many of our private goods – our computers, cars, and retail goods – to be of ever-higher quality and often at lower cost, due to the pressure of competition for our consumer dollars. In order for the public goods that we all share - such as education, roads, parks, or air quality - to improve just as rapidly, we need equal or greater commitment to innovation, efficiency, and quality in our public services.

### ***Community Engagement- “We’re all in it together and doing our share”***

Vibrant, strong communities are the fabric of the American Dream. When people are engaged in their communities, they feel more responsibility for the social and economic well-being of their neighbors. Pressured by the high cost of housing, health care, and caring for their children and parents, Americans feel that their resources are increasingly being stretched to the point where it is difficult for them to invest in their communities in a meaningful way. Nonetheless, the generous American spirit of cooperation and assistance is alive, and evident in the number of ideas that tackled family-friendly public policies that would help people off-set the cost of child care, education, housing and health care.

- Since Sliced Bread round 2 finalist **Major Dan Clark** of Florida proposed creating a civil work corps of youth who would serve 2-4 year terms on public works projects in exchange for college tuition (idea #20462).
- **Anonymous** in Maryland proposes allowing anyone to donate to a 529 for college savings, which allows philanthropies, local businesses and communities to invest directly in funding a college education for deserving students (idea #21061).
- **Jennifer G.** in Tennessee idea is to create non-profit community centers that would organize babysitting cooperatives that would offer lower-cost day care in exchange for volunteering for parents who would like to work part-time (idea #14143).

The values, trust, and mutual obligations lived within our communities – our neighborhoods, religious institutions, and civic associations – are the foundations upon which an Opportunity Economy can be built, and Americans intuitively understand their vital importance.

### **American Dreaming: Making a Difference**

Re-tooling the American Dream poses some big questions, but “kitchen table” ideas like the 22,000 submitted to Since Sliced Bread can help to point the way to a better, more equitable future for Americans, and to a strong economy that keeps us heads and shoulders above our global competitors. We can still look to these “basics” of the American Dream as our compass in crafting 21<sup>st</sup> century policies for an Opportunity Economy:

- Americans should be able to achieve economic security and upward mobility through their hard work.
- Our children and grandchildren should have a better quality of life than we do.
- Anybody who wants to should be able to achieve a middle-class life, with a safe neighborhood, some savings to fall back on, and to own their own home.

- Everybody should have a fair shot at success, including access to high-quality, affordable education, regardless of the circumstances they were born into.
- Everybody deserves a second chance.

These guiding principles are at the core of many of the ideas submitted to Since Sliced Bread, and also of Hope Street Group’s framework for achieving an “Opportunity Economy” in which the economy grows in tandem with the average American’s access to economic opportunity.

So, how do we keep these ideas alive and even put some into action? Participating in the Since Sliced Bread “folksonomy” is one step you can take. By helping rank and sort the ideas into categories, you can help make sure some of the best ideas are brought to light. You can also encourage your elected representatives to search for ideas by state (<http://www2.sinceslicedbread.com/ideas/states>), or send them your favorite Since Sliced Bread ideas directly. Another way is to get involved in Hope Street Group’s unique open-source model of policy development and outreach (<http://www.hopestreetgroup.org/volunteer.htm>). Hope Street Group is building a nationwide constituency to develop and promote Opportunity Economics as a governing philosophy for the United States. Our members and volunteers are business executives, professionals, and entrepreneurs from across the country whose goal is to make equality of opportunity in a high growth economy a reality for all Americans. We tap into the expertise and resources of the private sector in an unprecedented way to develop bold public policy innovations consistent with Opportunity Economics principles, and to create ‘safe havens’ for political leaders to embrace these bold policy innovations. Hope Street Group is a non-partisan, non-profit 501(c)3 organization that welcomes the contributions of everyone who wants to develop, promote, and support ideas to achieve the American Dream for all.

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<sup>1</sup> In particular, the Hope Street Group would like to thank the following volunteers for their especially helpful contributions to this project: Terry Babcock-Lumish, Maggie Carter, Candace Chen, Gabe Cohen, Bernida Evans, Joe Hurd, Tim Lee, Heather Lord, Ranjit Mathoda, Leslie Reed, Eric Ries, Samuel Roe, Matt Rose, Naomi Silver, and Rebecca Smullin.

<sup>2</sup> Several Hope Street Group policy solutions aim to create a more level playing field in our markets, including: [A Level Playing Field for American Business](#) (fair taxes for small business), [Restoring Confidence in America's Capital Markets](#) (corporate accountability), [Just Compensation](#) (tort reform), and [The Debt Tax](#) (public finances).

<sup>3</sup> See Hope Street Group’s policy piece [Building a Nation of Homeowners](#).

<sup>4</sup> See Hope Street Group’s prescription for early childhood education, [A Fair Start for America’s Children](#).

<sup>5</sup> See Hope Street Group’s solution for pension reform, [Expanding Retirement Security for All Americans](#), as well as our Op-Ed on Hurricane Katrina, [Turning Katrina’s Disaster into Hope](#).