

*Because democracy is a work in progress and requires constituent participation, we invite your collaboration in developing and refining our plans. We have added comments in areas where we have identified that we need specific questions and welcome your input.*

## **Economic Growth Plan - Part I**

### **Introduction**

The purpose of this document is to create a framework for facilitating public collaboration and input into the creation of an economic plan that addresses the current state of our national and world economy (please refer to our [economic forecast document](#)). We have created multiple sections that include more human elements, such as how to think about consuming new information, an outline of our governing principles - so that the origin of the ideas never is ignored or forgotten in the construction of our policies - and an outline of the plan itself. Each American is invited to participate and contribute depth, perspective, ideas, and expertise (which all of us possess) for inclusion in these plans. We will submit the final version of this economic plan to Congress as an extensive outline for legislation to be created.

### **Something we want you to know...**

The document that follows is long. In some places it is dense, and in other places it has concepts that might be foreign. We have found that, many times, new or complicated concepts can be scary. Writing this document, preparing to deliver the information, deciding whether we felt that we were correct - all of these steps involved us facing our personal doubts about our abilities or understanding of the problem at hand.

We want you to know that we had to re-read our sources. We had to step away and think more about the material. We spent weeks trying to decide if we fully understood the problem well enough to explain our solution to others, and we spent years before that preparing our brains to tackle this kind of material. We want you to know that this cycle repeated itself consistently inside each of us and will continue to do so for months and years to come.

Many times, we experience success in areas where we are able to simplify a problem, and as a result, the cycle of difficulty and learning presents itself less often. Yet, life solved for our dreams is always extremely complicated. It always has been complicated, and it will continue to be so. We each have the capacity to learn and grow our capability

to handle complexity, and to ask questions that bring up our fears, in the pursuit of our hopes and dreams.

As you read, know that for the topics that you are an expert in, be it your jobs, raising your children, or your favorite hobby, we will be students in your classroom. We will need your guidance, your expertise and your belief that a new concept can be understood at a higher level by us. We just need you to take the time to teach us. The topics we included are products of our interests and efforts, and we believe they will help you deliver the products of your interests and efforts into the world in ways that will benefit us all.

We hope you enjoy and learn from the information presented below - this plan is a framework and guide for how we create policy that makes the future better for each of us. We hope that this document allows you to believe that, for the questions you want to ask, you have confidence that someone else is thinking the same question and needs to hear you ask it. Life is a series of questions. The more we admit to our questions, the more answers we allow ourselves to seek. Life in our democracy is simply every member asking questions where the answers have the potential to make each of our lives better.

### **Democracy, capitalism, profits and the benefit of debt**

Democracy grows when its economic system provides the opportunity for individual citizens to go after and achieve their desires. This variable of jointly linked self-interest and self-benefit, in the context of interactions with others, is the primary link between democracy and capitalism.

After a point, when we are economically successful enough, individually, we begin to believe that we can suspend the variable of the unknown for a time. This occurs unless we are aware of the potential for future weakness that is created when we generate economic returns while avoiding the new learning available from facing the unknown, however it may be defined as in our individual lives.

If we demand that we face the unknown and if we are given explicit awareness and access to our desires, then democracy and capitalism work hand in hand to drive human growth, using money as a means to value future needs which we are working together to provide. This practically occurs when we are capable of believing that the price we are paying for an item is equal to the value that is included in that item or service.

Conceptually, this setting of price in daily transactions is where debt enters into the consciousness of our human interaction. Whenever we choose to work together with someone on a task that will result in the provision of needs that we share, the space that

we leave open in the provision of our daily shared needs is equal to a price, reflected by a debt that must be paid into the future. This abstract reference to the idea of debt can take many forms - in this context, time spent working on a problem, consumption, and even wages can be considered types of debt. The way in which we pay this debt is through the economic growth that we generate by working together with someone else at rates that are sufficient to provide for our needs in the future and the debt accrued while we worked together.

We have been generating broader knowledge about this function of economic growth for thousands of years. However, in the process of learning and developing economic knowledge, we find ourselves periodically going through financial crises, as the incentives that drive risk taking are not always aligned with providing future value. Sometimes the incentives for [non-value-added risk-taking](#) are high enough because the profits realized from this action accrue more quickly than profits from value-added risk-taking and non-value-added risk-taking generates products and services with enough differentiation to create the perception of progress. More often than not, no check is exercised on non-value-added action because the individuals who would otherwise prevent such action are too comfortable and /or benefit too much from the non-value-added action to take a stand. As consumers, individuals are also too diffuse to generate a coordinated signal of their dissatisfaction, and this allows companies to create marginal improvements in place of innovation.

This framework helps explain the situation in which our democracy and capitalist system finds itself currently. Using their access to essentially unlimited backing from our Government and the Federal Reserve, economic actors seeking to maximize reward/risk have created a scenario where the returns to non-value-added risk taking exceed the returns to creating goods that meet actual human desires by learning and facing risk into the future. This has created the perception that economic growth can be achieved by facilitating consumption via increased leverage rather than the provision of goods that meet incremental needs. We are consuming at rates that are higher than the correlated rates of innovation resulting from our current intellectual process governing production of consumable goods. The resulting economic system is one in which nearly everyone is going to struggle to work together with each other to provide for each others' future needs. When the effect of these non-value-added economic actions hits an apex, the entire economy slowly loses its ability to be vibrant and generate long-term [innovation](#).

In this moment, our collective role will necessarily function to identify market needs whereby suppliers are willing to bear the risk of innovation to meet that need. The financial, governmental and intellectual resources are available for this purpose, but in the short- and medium-term the link between demand and bearing the risk of supplying

that demand must be facilitated with accurate information and support in those efforts. The returns to this near-term support will accrue back to society directly, providing the future with the returns it needs for continued economic growth.

Our plan facilitates investment in humanity's capacity to innovate into the future. Each of us sees another person's needs better than we see ourselves because we are inside our lives and don't always have visibility on the causes of the circumstances within which we find ourselves. We've built this plan based on the information generated by our personal connections, education, experiences and social network, but we need to expand our social footprint to include our entire society. We need each person's intentional contribution to expand this plan so that it accounts for all of our needs.

When we execute our participation in democracy in this way, each of us has the ability to help another person at a higher rate. Economic growth multiplies within this cycle. As members of society, this plan is what we have to do, as Americans, to help each of us put food on the table, have a roof over our heads and have good health, tomorrow and into the future.

## **Governing Principles**

In this document, and each of our other documents used for solving the challenges we face, we have begun by listing our first principles for considering the question at hand. We have done so because we have found that identifying the guiding elements that would be present in any solution and that apply equally to everyone experiencing the results of that solution leads to consistency with respect to the underlying rules of the planet on which we live and the greater system of which we are a part.

Approaching problem-solving this way also allows us to ensure that we stay focused on the goal, that we overcome our fears in the midst of distress and that we remember that our perception is not definitive of, but an element contributing to, the solution for the greater problem that we seek to solve.

In this economic plan, we identified a few groups of first principles that directly affect any solution we propose and inform its construction. We have listed these below such that each reader can follow the origin and development of our proposal, considering whether its consistency and accuracy to the underlying data of life that defines our approach, is successful in its pursuit of our goals.

**Economics and Finance (see [Economics & Finance](#) presentation for a primer on these and other foundational topics):**

- a. Economics and finance operate within a closed system. The actions we take to solve for another person's need must be intentional, and, as a result, the consumer faces an explicitly-defined unknown regarding the use of the product into the future.
- b. Any action that happens in a closed system has effects that influence everyone. The remnants of our decisions, both good and bad, don't go away.
- c. Supply and demand are a function of each human living and providing for needs, using their unique talent to provide for other's needs, for which they, as the supplier, are compensated.
- d. The risk-return proposition in Economics and Finance is defined such that the supplier and the consumer reap the returns (rewards) associated with bearing the risk of explicitly-defined unknowns.
  - i. The return for such action is defined as economic growth, tracked in profits, accruing to the party or parties who undertook the risk in the pursuit of providing a solution to a need.
- e. According to economic theory, growth follows from three main results:
  - i. Making a product or service better without increasing its price
  - ii. Adding a value that increases a product's overall value with a commensurate increase in price
  - iii. Creating a new solution to an existing problem
- f. In an ideal economy, one person's deliberate action that generates economic growth results in another person's opportunity to contribute to economic growth either as a consumer (when the product of the previous person's output is used as a solution) or as a supplier (when the product of the previous person's output is used as an input).
- g. Sustainable long-term economic growth is a result of people (1) generating economic growth in the short-run by bearing the risk of the unknown; (2) collaborating honestly to solve problems in the long-run; and (3) remaining invested without seeking to take advantage of each other or the system itself.
- h. All economic growth is generated by the collaboration between the investor and the party in which they are investing, which results in the provision of a good or service into the economy.

**Structure of Markets**

- a. Traditional finance attempts to pursue growth while explicitly negating the value of collaboration between the investor and the party in which they are investing.

- b. Competitive markets function under the following requirements (1) Transparent price signal; (2) Transparent value signal; (3) Recognition of a need; (4) Multiple suppliers
  - i. Because of the information necessity of markets, we should look for areas where economic actors are creating or facilitating material disinformation such that the party on the other side of the economic transaction is harmed
    - 1. [Misuse of DMCA](#) to remove unfavorable content on the internet
- c. Individual elements of risk and reward are constructed as shared, since both parties are expected to economically benefit from the transaction. Outcome of economic transactions are that all parties are adequately satisfied or additional questions are generated for which both parties are responsible.
- d. Each person as a demander and supplier seeks uniformity in the application of their provision of supply and demand, such that the range of outcomes is narrowed for them.
  - i. They do this because they are trying to mitigate the risk of the unknown.
- e. The natural result of each person seeking a stable environment is localism in economic transactions, such that communities become relatively self-contained markets unto themselves, defined within the supply and demand transactions that comprise them.
- f. Localism occurs at various levels within the economy, where goods and services can be delivered at a local, state, national and international level. Conceptually, economic activity, facilitated by finance, can move amongst these “local levels” in something resembling concentric circles.
  - i. The more economic activity and the resulting markets account for localism and regionality, the more information transfer occurs and the higher the long-term economic growth and financial returns to investment.
  - ii. State budgets need to be interpreted with respect to their economic drivers within the larger federal budget and its role in economic growth.
    - 1. Currently, we view these as independent and unrelated in terms of their economic interdependence.
- g. Traditional finance allows for linear growth across regions, but in doing so, it reduces the available risk-bearing opportunities on the part of local employees delivering services, consolidates decision-making and over time, reduces the economic value that can be generated from increased scale.
- h. Opt-out structure - underlying economic rationale
  - i. We are all consumers and suppliers. Our need for goods and services (demand) creates the opportunity for someone else to supply that need. This cycle drives every single supply and demand decision throughout the economy.

- ii. Opting out is equal to an explicit admission that a person no longer wants to participate in the economic system as described above, as they believe that they can find a better economic system elsewhere or they are unwilling to participate honestly according to the rules that govern an economic system premised according to these first principles.

Please see the “Iteration as an Economic Event” section on pages 8-9 in our [Healthcare Plan](#) to see how these market structures and dynamics apply.

### **Separation of Powers Maximizes Economic Growth**

Concerted action via an explicit application of separation of powers according to its definition is the process by which we maximize economic growth in a democracy.

- a. The concept of Separation of Powers explicitly defines the areas in which the three Branches’ interests are equally tied to the polity’s greater realization of its individual humanity.
- b. The Federal government, States and municipalities have to work together to create the best outcomes for their citizenry into the future
  - i. Each of these governmental entities must exercise judgment considerate of all options and the future innovations that occur from localities democratically solving for their shared growth
- c. Elected officials were chosen by their fellow humans to support their existence and act in ways consistent with their humanity and fostered by their participation in society
  - i. Each branch of government is constrained to behave equally with respect to the humanity of each member of society
- d. The biggest challenge that society has is that it doesn’t yet have an effective, intentional mechanism for immediately identifying the contribution of uniqueness to overall economic growth and the general improvement of society.
  - i. It is the legislative branch’s responsibility to account for the uniqueness of its constituents when constructing legislation that defines opportunities for every member of society.
- e. Legislative Branch - The purpose of this document is to guide discussion around areas that will support the long-term growth of the economy in value-based actions, such that the legislature has a template for how Americans see their own participation in the economy and can execute on the promise of participation.
- f. Our proposed structures allow the communities to decide for themselves how resources are allocated, when the benefits are shared but where the generation of those benefits occurs at different levels of social organization.

- g. The role of the states and localities with respect to the federal government, as defined within the Constitution, follows an intentional logical approach undertaken by the Framers of our Constitution
  - i. Any powers defined are intentionally given, such that anything provided for as a responsibility is expressly-defined.
  - ii. Example:
    - 1. Any powers not expressly given to the Federal Government are reserved for the states
    - 2. Logical analysis incorporating data and theory are utilized to determine the diminution of power practically.
- h. Administrative Branch- Throughout our history, there has been a fundamental discussion about where the execution of the Administrative Branch ends and that of the Legislature begins. Framed through a responsibility to serve each individual in American society, this question about division of powers gains clarity. We seek to find that branch, whereby the aggregate human need is most effectively addressed.
  - i. The Executive Branch has two expressed powers that are vital to its rigor. The responsibility of the Executive to give a State of the Union address ensures that the legislative process produces laws that increase the ability for each citizen to make good on the inalienable rights for life, liberty and the pursuit of happiness.
    - 1. The perspective afforded the Executive carries with it a responsibility for each citizen's life, that they would not hope to possess, simply because the position at which they sit, at that moment in time, affords them a view that is much more practical, in terms of their contribution to society.
    - 2. As a citizen, the Executive acknowledges the personal benefits society conveys to his life governed by the American Constitution.
      - a. The role of Executive, held for the time entrusted, demands that the office place priority on the part of the citizen, their hopes and their dreams.
  - ii. The second is the veto power. In its most useful form, it imbues the Executive with the responsibility of conviction, expressed in action, about what the future holds for each member of the nation. This conviction makes real for the public the belief that the Legislative branch can improve on its assessment and prescription for improving the lives of its constituents.
    - 1. With this expressed power comes the responsibility to continually and publicly communicate with the legislature regarding the perspective, demanded explicitly in the State of the Union, that

more can be done, to expand the capabilities of that citizenry, in the process of constructing a law.

- i. Judicial Branch - In many parts of society, the courts are seen as an arbiter of conflict, rather than a third perspective on the execution of codified rules meeting society's needs, tasked explicitly with explaining and clarifying our founding principles through the prism of our lives, lived within the bounds of the rule of law.
  - i. At its highest level of contribution to our polity, the Judicial branch leaves open the explicit ability for humans to improve our condition and understand its capability over time, reconciling our learning to the ways in which we apply our view of law and its prescriptions daily.
  - ii. The courts should be understood as a verification on the accuracy of the efforts by the Legislative Branch, and of the Administrative Branch, in creation and execution of policy for the future, for the highest benefit to the population.
  - iii. The courts support individual citizens in demonstrating to the Legislative and Administrative Branches, where potential framing could be improved, in the creation and execution of laws that are motivated by the best interests of the population, but whose construction may not yet maximize the achievement of the personal benefits addressed in the law's scope.

## **Responsibility of the Administration for Execution and Success of the Plan**

Federal coordination of our shared interests requires oversight and acceptance of substantive responsibility at the same level. Below, we outline the initial set of responsibilities that we believe sit within the Administration's enumerated powers in the Constitution and that will be required for the success of this plan in its goal of guiding our Nation to future long-term economic growth and a society that makes good on its promise of life, liberty and pursuit of happiness for each of its members.

- a. The Campaign and subsequent Administration is responsible for providing how-to support to entities executing on these plans
  - i. States, counties, cities, companies
    1. Facilitate [Community Needs Assessment and Private Sector Needs Assessment processes](#)
  - ii. In the form of experts, operational task-forces, and supporting resources

- b. Build out Government information technology infrastructure in parallel to support deployment of plan
- c. Legal construction of the [Federal Opportunity Investment Fund](#) will mandate data sharing between the localities, businesses, banks and the Fed such that the Fed can build a comprehensive, centralized economic data set that can be used to drive future policies.
- d. Create new public disclosure requirements for the conversations and interplay between the Treasury and the Federal Reserve
  - i. Any conversation relating to this plan must be held in public forum
  - ii. Recorded and archived for public viewing at later dates
- e. Create new research unit devoted to framing the long-term problems and providing data perspective on multi-perspective view of the problems we are facing
  - i. Will have joint operational and oversight responsibility with Cabinet heads and Agencies
  - ii. Include members of the CBO, given that democracy, and in particular our government, is defined by working together

## Economic Support Solution

We believe that aggregate demand and aggregate supply will require a response of [at least \\$10 trillion in total support this year](#), and anticipate that continued, supported demand and supply interactions will be required over the next several years to provide the necessary trust factors for consumers to purchase and businesses to provide goods and services for consumption. We anticipate that the total price for interventions over the next two to three years could exceed \$20 trillion. Further, our assessment is that the nature of this problem is defined as very much of an all-or-nothing proposition. In times of multiple crises of confidence in future viability of business and organizational entities, at every level of the economy, anything less than full backing results in no net effects on the underlying capability of the economy to grow. Our belief is that without a back-stop of the implicit trust required for economic transactions to occur, that our economy, and that of the world economy, more broadly, will cease to grow and will likely contract at increasing rates over the next several years.

We have listed our plans in outline form as it helps identify the ways in which the solutions are built and facilitates conversation, learning and collaboration in their improvement.

## Support Structures

We currently expect America's total coronavirus-related intervention over the next few years needs to cost upwards of \$10 trillion on the consumer demand side, as a result of the scope and depth of the problem - this estimate will be refined and the allocation of this estimate will be honed as we engage with communities and experts who will help us define the need more accurately. Some costs are directly related to the necessity of social distancing, while some costs are driven by the underlying economic structures that we believe require improvement, and are contributing to the depth of challenges we face currently. Some of this intervention will overlap with initiatives to support the supply side - however we believe that both demand and supply will need to be stimulated. We believe the economy will receive exponential returns to the effort from stimulating both demand and supply in a targeted effort.

Repayment of this initiative will be explicitly tracked via a specially-constructed line-item tax structure, to allow localities to identify repayment rates and increase amounts as a result of effective deployment of funds into areas of the local economy and the increased tax receipts that result from increased economic activity. We expect that repayment length for such interventions, which we view as necessary, regardless of repayment timetable, will be extended unless we analyze the portions of the economy that are creating economic drag and solve for them as they arise. We have no illusions that this current shock will not be the last shock that we will experience to our economy, even in the near future (less than a year) - and unless we want to continue to borrow from our future to pay for the costs of economic drag today, without any substantial or intentional return-on-investment, we need to identify the areas of the economy in which we can begin to build some buffer to alleviate the impact of exogenous shocks.

## Immediate Support

### Direct consumer payment (Demand Support)

- a. Payments for unemployed and underemployed Americans as well as anyone making below \$60,000, to facilitate uninterrupted consumption of [needs](#).
  - i. In the short-term, until infrastructure is built to facilitate the [Federal Opportunity Investment Fund](#), payments will be ongoing.
    1. Rationale for maintaining payments until FOIF is operational:
      - a. It puts responsibility on the Federal Government and this Administration to execute on its tasks.
      - b. It creates a trust mechanism for market transactions.

- c. Each individual has the opportunity to participate in ongoing community discussions about community needs
  - i. Results in ability to receive continued payment and or larger payment
  - ii. Substantive contribution to the conversation at City, County level for Federal Opportunity Investment Fund
    - 1. Definitions to be identified as public discussions of this program continue
- 2. Constituents receiving payments can volunteer to do project-based work to facilitate progress towards FOIF implementation
  - a. Results in higher continued payment
  - b. Can include participation in [Community Needs Assessments](#) that aggregate needs and information
    - i. For urban areas where space would be an initial limiting factor and during times of social distancing, web conferencing solutions will be deployed
      - 1. Work with technology providers to deploy a community-based solution
    - ii. Recorded and cataloged for research, tracking and progress
- ii. Baseline disbursement that covers necessities for members of society not included in unemployed, underemployed or employed.

## Food

- a. Food Bank
  - i. Direct injection of food or funds to support short-fall from reduced supply from restaurants and increased demand from unemployment
- b. Food Supply Chain
  - i. Food processing plants are susceptible to infections and labor shortages
  - ii. Dedicate testing capacity to companies that are vital to food supply chain
    - 1. Isolating infected workers will prevent contagion throughout processing plants from straining food supply
  - iii. Live stock prices could see further increases in the near future resulting from upstream supply disruptions
  - iv. Forward costs of livestock could destabilize supply without subsidies
    - 1. Direct subsidies for retaining livestock inventories at current level to producers until market is stable and capable of integrating supplies to meet demand
  - v. Agriculture may experience seasonal labor shortages due to COVID-19

1. Reposition unemployed populations through incentive programs to bolster labor supply

#### **Healthcare Market**

- a. Please reference our [Healthcare Plan](#) document for specific initial application of the Governing Principles outlined above and seen in general forms throughout this document.
- b. Please reference the **Deployment of the Pandemic Readiness and Response Program** subsection on page 15 of our [Healthcare Plan](#) for details on our reopening plan, testing / vaccine distribution
- c. Please reference the **Hospital Financial Support** subsection on page 22 of the of our [Healthcare Plan](#) for details on our proposed hospital support payments

#### **Companies - participating in the real economy**

1. Support Operating Cash Flows
  - a. Federal Reserve and Treasury work to push money directly through the banks to the accounts of the businesses
  - b. Opt-out structure - the banks notify their clients that to participate in the funding, they have to agree to the terms of the participation as well as information sharing, including the [Private Sector Needs Assessment](#) process, for use to analyze the long-term returns to these programs and the length of need
2. Bankruptcy courts
  - a. New judges should be appointed to support the volume of cases presented by the current environment
  - b. Additional funding/resources can be allocated to facilitate Bankruptcy resolution through the Treasury
3. Federal Reserve
  - a. Allocate additional Treasury funds to Federal Reserve programs as needed

#### **State and Local Municipalities**

- a. Operating Budget Support
  - i. \$2 trillion worth of loans to states and local governments, convertible to grants if they participate in the Community Needs Assessment process
    1. Example: To prevent education and staffing cuts

## **Infrastructure Projects**

- a. Allocate \$2 trillion to shovel-ready infrastructure projects across US that can be initiated by states

## **Banking System**

- a. Small, Medium-sized banks direct lending window support to re-capitalize relative to losses in the short- and medium term
  - i. Stimulus to small-to-medium sized businesses hasn't addressed demand fears and leaves small banks susceptible to portfolio weaknesses
  - ii. Federal Reserve vehicle for these banks to access capital, rather than attempt to gain from private market
  - iii. Stabilize mortgage origination and servicing markets to ensure that homeowners experiencing loan covenants being violated by banks attempting to retain capital are given recourse and prevented from losing their homes until recourse is available
- b. Capital requirements, dividend payouts, and share buyback controls could be used to regulate banks' use of public funds under an opt-out implementation model

## **Long Term Support**

### **Companies - participating in the real economy**

- a. Publicly Traded Companies
  - i. No direct support of new company equity issuance
  - ii. If taking bailout funds, no allowed share repurchases ever
  - iii. Overall limitation on the amount of capital that can be distributed to shareholders in a year
    - 1. Shareholder returns are not being deployed into investment opportunities
    - 2. Shareholders' investments ultimately benefit from higher long-term prospects of companies
- b. Bonds
  - i. Create an exchange such that there is transparency in bond purchases and issuance
    - 1. Creates visibility of issuance and transactions/sales
    - 2. Public negotiation on pricing (interest rate) and use of proceeds
- c. Business liability insurance

- i. Provide subsidies for businesses to purchase COVID-19 liability insurance from insurance companies to protect businesses from unfair lawsuits and revenue losses resulting from implementing consumer and worker protections related to COVID-19
- ii. Insurance is preferable relative to liability waivers as it leaves civil procedures and structures in place that provide protection for employees and maintains competitive market structures on the insurance providers
  - 1. Consider strengthening civil protections and streamline procedures for employees to bring lawsuits against companies to ensure that businesses take adequate steps to protect their employees

### **Municipalities**

- a. Law Enforcement Agencies and First Responders
  - ii. Dedicate testing capacity to facilities that house populations in close proximity
    - 1. Isolating infected employees and those being held in these facilities to prevent contagion throughout population
  - iii. Responsibilities will likely increase over the next 12 - 18 months, potentially creating a new threshold of need
    - 1. Line officers are at far higher risk of contraction than members of general population
  - iv. Create a compensation fund to raise wages to alleviate some of the stress in other areas
    - 1. Across the board and would be included in funds deployed to communities for payback
      - a. Economic and social return-on-investment to communities for well-trained, capable, caring and healthy member of these agencies is high in terms of stability and trust of government
  - v. Cover coronavirus-related health expenses
    - 1. Pay for time-off due to coronavirus
    - 2. Pay for expenses related to family members who contract coronavirus
    - 3. Pay for funeral and service costs for family members or employees

### **Information access**

- a. Below a certain socio-economic level, the federal government will facilitate a subsidized market for electronics to allow people to access the internet for information, etc.

- b. Will drive information accessibility and increased knowledge about the broader economy
- c. Correction for market failures in journalism
  - i. Provide an annual stipend for consumption of news media driven by the consumer
    - 1. Creates a clear link between price and value
    - 2. The consumer determines the outlets and content that receives funding from their stipend
    - 3. Streamlined civil suit structure allowing consumers to adjudicate intentional misrepresentation and knowing omission

**Commented [1]:** Under this construction, how do we prevent media companies from generating polarizing news and "clickbait" at an even higher rate in order to attract more subscription dollars, now that the consumers' budget constraint is gone?

### Homelessness

- a. Please see our Policy Plan: [Homelessness Abatement and Economic Growth](#)

### Pension Funds

- a. Buyout via the Hedge Fund Industry
  - i. Reducing risky asset allocations will allow pensions to satisfy maturity requirements while maintaining investment levels in necessary and economically-productive asset classes

### Mortgage Market

- a. Support for origination and holding of the mortgage on the originator's books through FHFA agencies and GSEs
- b. Additional oversight and enforcement for mortgage terms on the part of banks with respect to borrowers' rights

**Commented [2]:** The mechanism deployed in support of the mortgage market will depend on the timing and extent of when it will need to be deployed and will require input from relevant market participants and regulators.

### Banking System

- a. Macroeconomic risk insurance coverage for bank portfolios
  - i. Ties bank incentives and willingness to lend during macro-economic crisis
    - 1. This program will incentivize banks to consider long-term risk management for their credit portfolios and better prepare the financial system for crises without constraining credit when it is most needed
  - ii. Create credit insurance where rates adjust according to macro-level economic indicators
    - 1. Potentially utilize something like the FDIC

- 2. Require the banks to pay premiums into the FDIC for credit portfolios
- iii. Portfolio reviews on more consistent basis to ensure that the credits are healthy and the income streams of the borrowers are stable
  - 1. Account for local economy changes

#### **Broker Dealers**

- a. Broker dealers are a key part of the US Treasury's ability to fund government spending
  - i. As currently structured and regulated, broker dealer absorption of incremental Treasury issuance incrementally constrains bank lending activity; as such financial regulators have had to roll back many key post-financial-crisis regulations
- b. As such, in the future, broker dealers should be regulated as utilities
  - i. Not associated with a bank that takes deposits and makes loans
  - ii. Get to earn a return on equity
- b. Direct Fed backing of any liquidity needs
- c. No prop trading or risk taking outside of pure market-making activity
- d. Transparency on the transactions
  - i. As a result of the Federal Reserve backing any liquidity needs

#### **Credit Rating Agencies**

- a. For any securities, instruments that they rate, there will be a clawback mechanism on the fees paid for the service in the event of loss of value of the security
  - i. Losses to portfolio value would be borne by the investors
- b. Fees payable to the credit ratings agency for the initial and ongoing evaluation / rating will be borne by the investor, not the issuer. Initial ratings fees will be paid through the issuance / securitization process, with the relevant bank / dealer facilitating the initial payment and the DTC facilitating ongoing payments

#### **Transfer Pricing on Intellectual Property transfers**

- a. Every information-based product would be covered
- b. If companies leave their current locale, they will be required to return the amount of tax base loss to the previous locale for a set time period into the future.
  - i. Companies benefit from the economies in which they operate through labor markets, infrastructure, etc., and they have a responsibility to the communities they serve and where they are located accordingly.

## Air Travel

- a. Air travel is considered a fundamental part of economic growth and therefore, it should be regulated as a vital part of the economic infrastructure
  - i. Functions like a utility that facilitates human interaction such that information transfer is higher than if remote meetings were the only options
- b. Consider regulating airlines as a utility
  - i. Mechanism for maximizing human capital investment
- c. Human need is a constant in their business model, as with other utilities
  - i. All other forms of physical transport are either nationalized or highly regulated
    1. Roads (cars)
    2. Trains
- d. Regional support for those areas that need air-line service for economic growth
  - i. Airports
  - ii. Airlines routes consistently to these communities

## Next Steps

Generally, we have outlined a framework that we believe accurate to the task at hand and sufficient to the framing needs of how we, as a society, begin solving the problems we collectively face. Consistent with the seriousness of the economic downturn, we have considered that it will be necessary for all levels of government, from the federal to local municipalities, to more directly facilitate the support necessary for value-inducing human interactions following from first principles defined according to democracy, capitalism and our humanity. Our estimation is that in the following six months, the reality of the challenge we face will come more conclusively into view with respect to these principles.

More specifically, our own expectation is that we will need to take extensive, concerted steps to rebuild demand and supply structures within the economy to balance the need for human interaction to facilitate growth and human transmission to be limited to ensure continued life amongst all of us, absent a vaccine for Covid-19 and widespread inoculation against the virus, or without widespread, systematic testing and tracking of our populations to help isolate prior to large-scale transmission, plus the contagion imposed on the economy as a result of insufficient application of information to the challenges correctly identified by the economy itself.

## **Federal Opportunity Investment Fund (FOIF)**

In Part II of our Economic Plan, we outline the function of the [Federal Opportunity Investment Fund](#), which will support the medium to long-term needs of the U.S. economy and will consist of a stimulus and investment fund legislated by Congress and administered by the Treasury department with Fed responsibilities for certain aspects of execution. Funds will be allocated on the basis of a [Community Needs Assessment](#) process that elicits the areas where investment generates the highest returns to American society.