

# Federal Opportunity Investment Fund Plan Summary

The Committee to Elect Chris Florquist President

# Economic Growth Plan: Part II - The FOIF

**Thesis:** The government's role in society is to account for the specific needs of each community equally and to create an environment in which the private-sector can create solutions to meet individual demand.

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.

# The purpose of the FOIF in growing the economy

1. It creates equality of opportunity, promoting individual productivity and growth and increasing total wealth in the economy.
2. Each participant in the economy is better off when other participants maximize their capacity to produce and consume.

# The Economy Defined From First Principles

**Thesis:** Economic growth is maximized when everyone participates in the economy at the highest level of their ability and capability (aggregate of their humanity).

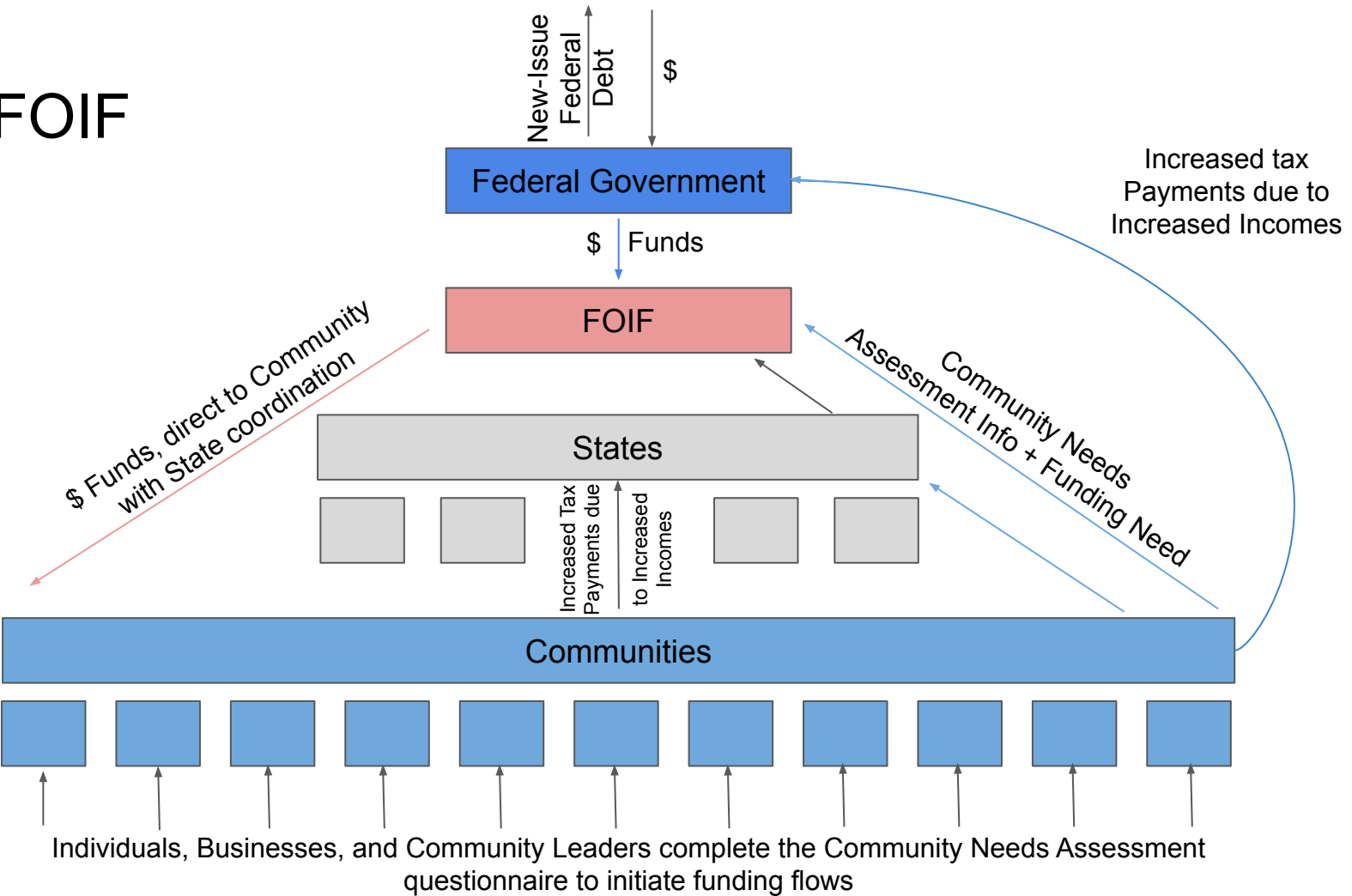
1. Humanity -
  - a. The unique experience, perspective and action that each person brings to the world
  
2. Ability -
  - a. As an economic actor, taking actions defined from my humanity
  
3. Capability-
  - a. Potential ability that can be realized via mutual investment, in the pursuit of maximizing another person's humanity

\*\*For the purpose of economics and the FOIF, we understand the relationship between Capability and Ability to be: Capability is the full scope of a person's ability, whereas Ability is a person's capability at a point in time. To visualize this, a person's Capability can be conceived of as a cylinder or pipe, and her Ability can be thought of as a slice of the cylinder or pipe.

# What a First-Principles-Defined Economy Looks Like

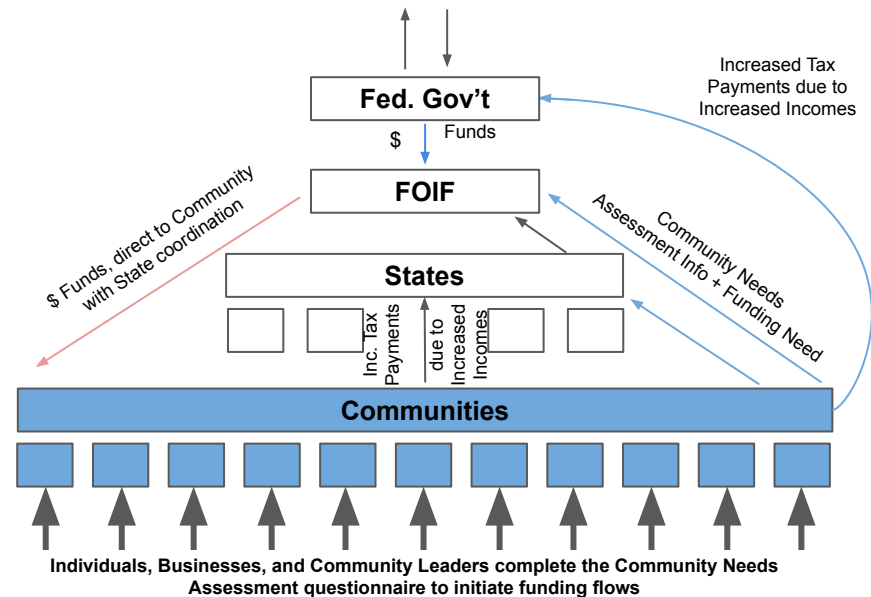
1. The base of people who have the ability to satisfy their demand beyond essentials corresponds with the overall wealth in the economy
  - a. Everyone is going to be poorer unless this group expands
2. Each person is a component of both supply and demand
  - a. Each of us consumes something produced by others and produces something that other people consume
3. The fact that everyone is both a consumer and producer means that every part of the economy is interconnected
  - a. Breaks in humans' ability to be both supply and demand implies that every industry is poorer

# The FOIF



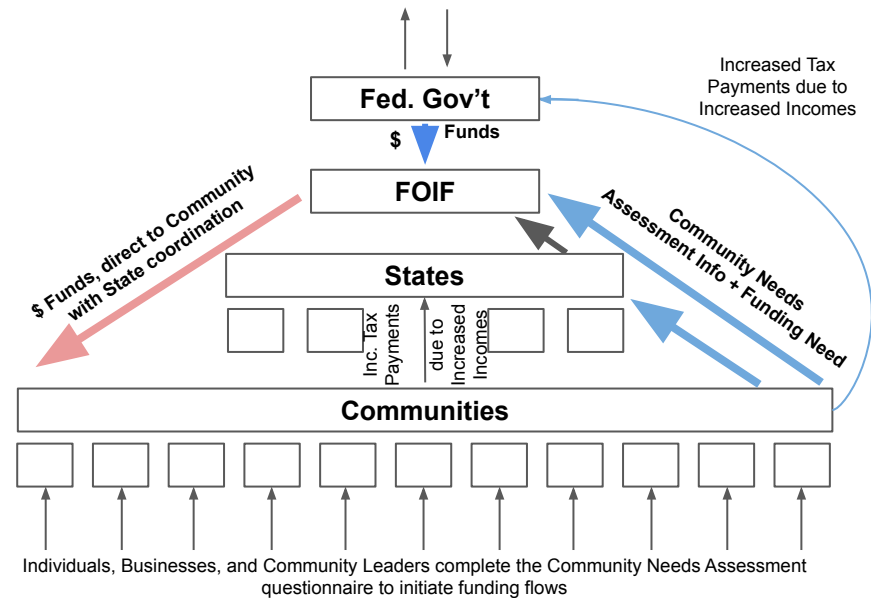
# Community Needs Assessment Explained

- Community leaders, individuals, and businesses complete the Community Needs Assessment, which informs the areas where funds are needed.
- Community leaders submit the completed Community Needs Assessment to public website for FOIF review.
- Public online meeting between community members and FOIF staff wherein FOIF staff asks questions about the submitted Community Needs Assessment to gain in-depth understanding of the community's needs.
- Community is provided another round of questions to further build upon Community Needs Assessment. FOIF staff will provide additional rounds of questions and host online meetings until they have a full understanding of the community's needs.



# Flow of Funds through the Economy with the FOIF

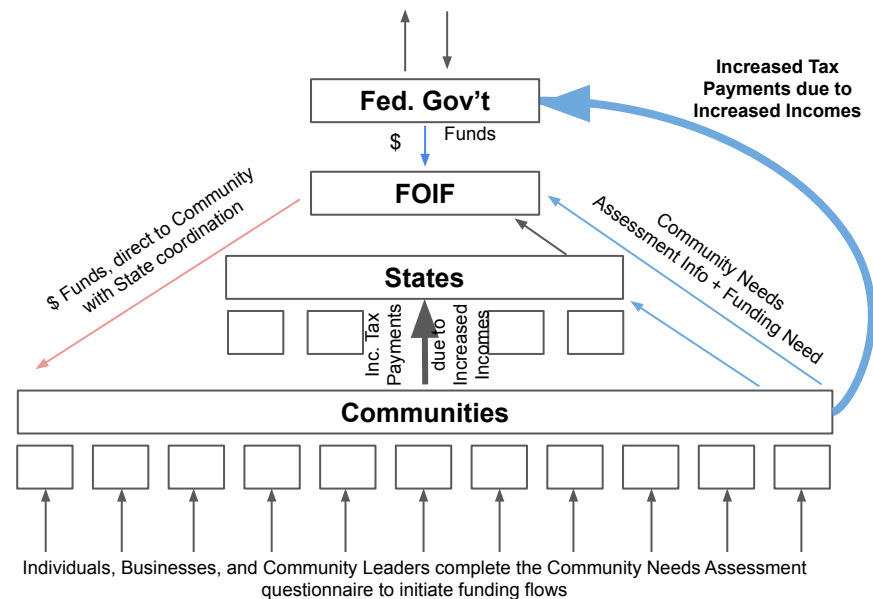
- After the FOIF staff publicly approves a community's Community Needs Assessment based on completeness and compliance with legislative requirements, the community will solicit bids from businesses for solutions that meet its needs.
- Once the community has selected a vendor, they will present the winning bid to FOIF staff. Once the FOIF approves, funding is distributed from the Treasury through the FOIF to the community.
- Businesses that participate in the derivation of solutions and submit development plans to meet a defined need in their communities will receive priority in the bids that result from community discussions.





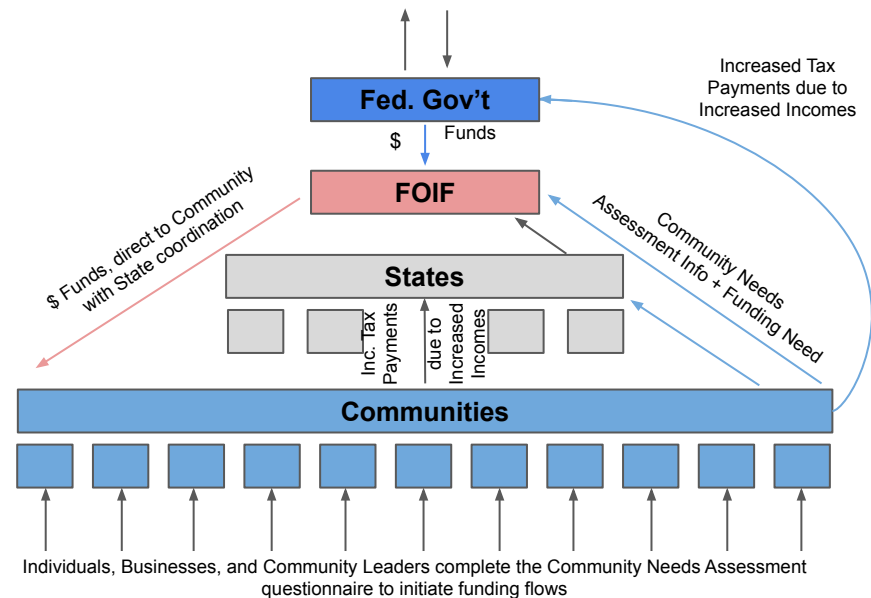
# Flow of Returns to Society from FOIF Investment

- As a result of receiving funds from the FOIF, communities improve their productive capacity, consumption, and ability to invest in the future.
- Progress would be tracked by the FOIF against each individual community's responses to the Community Needs Assessment.
- Over time, each community's responses to the Community Needs Assessment should build on previous FOIF investments.
- The additional tax receipts from productivity increases and accelerated economic growth aid in the repayment of the initial debt issuance and serve as the return on investment tracking mechanism, all other things being equal.



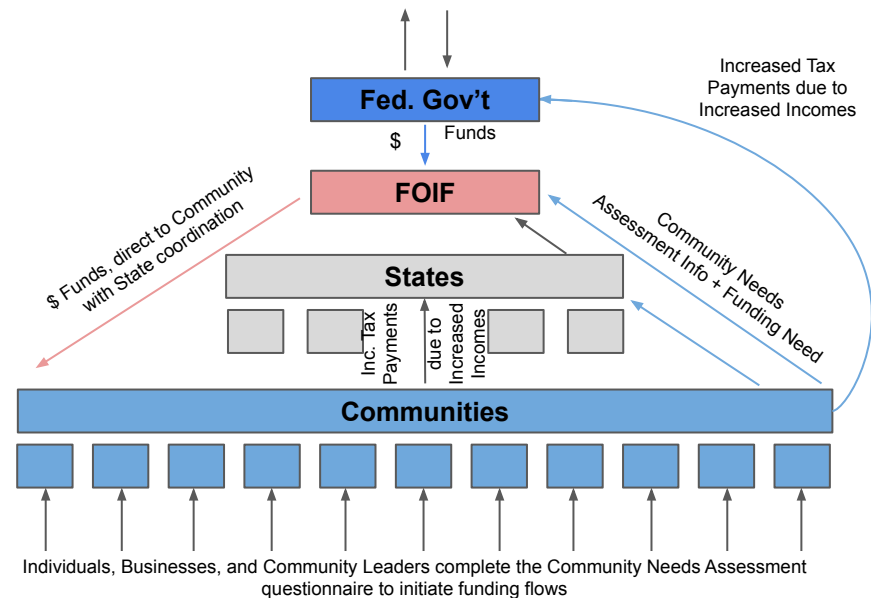
# Example of Community Collaboration within the FOIF

- A group of California communities identifies that surrounding electrical grid infrastructure is out-of-date and in disrepair.
  - They assess, in conjunction with the regional utility company, that a power line upgrade would cost \$1 billion over the course of 5 years.
  - Updating the lines is estimated to reduce the damages due to wildfires by billions of dollars over the same period and meets the needs of the communities, which have seen increasing cumulative damages from fires in recent years.
  - They submit their Community Needs Assessments to the FOIF for review, create a joint development plan for the project, and receive funding approval that they collectively deploy into the infrastructure upgrade.



# Example of Ongoing Use within the FOIF

- A Tennessee community identifies that its school district needs to upgrade its computer labs to expand its course offering and improve the learning experience of its students.
- After identifying the need and reviewing it with FOIF staff, they realize that they need to construct new buildings to house the computer labs in addition to purchasing updated computer equipment.
- With approval of the FOIF, the community solicits bids and selects vendors who submit cost estimates of \$2.5 million. The FOIF approves the bid and deploys the money into the community.
- Upon completion of the updated computer labs, the school district identifies a need for updated educational software to facilitate the classes it wants to add to its course offering and begins working through the Community Needs Assessment process again.



# Documents to Support the Necessity of the FOIF

[Repurchase Market](#) - Through the lens of the Repurchase Market, we examine the fragilities in the financial economy that are exposed when economic actors prioritize short term profit maximization over the stability of markets upon which they rely.

[Quantitative Easing](#) - Through the lens of Quantitative Easing, we examine how central bank interventions, while essential right now, can externalize the costs of fragilities in the financial economy to future taxpayers because they are not structured to explicitly increase human capability in the long-run.

[Inflation](#) - Through the lens of Inflation, we examine how people and corporations both underestimate the amount and coordination of human input, and how this impacts our economy's growth potential. We also begin to lay out a path forward to stronger long-term growth that acknowledges and supports humanity and generates non-diminishing marginal returns to labor.

[Economic Forecast](#) - For those with an interest to better understand the economic context within which we find ourselves and how our proposals can improve their individual experience of life through the lens of the economy, we have included our analysis.