



VITAL CONDITIONS

Meaningful Work & Wealth

The vital condition of Meaningful Work & Wealth is about personal, family, and community wealth that provides the means for healthy, secure lives. It is about good-paying, fulfilling jobs and careers, and financial security that extends across the lifespan.

Meaningful Work and Wealth is an indispensable vital condition that we all depend on for our health and well-being. People's lives and self-worth flourish when doing productive, rewarding work. The income one earns prevents material deprivation; and the experience of productive work itself converts dependency into a dignified sense of purpose. Even beyond the immediate importance of earning a paycheck, meaningful work lifts up entire families and communities, creating a vibrant and interdependent commonwealth. The promise of America's democracy is best fulfilled when we work with others, across differences, to create things of lasting value. Likewise, the ability to accumulate adequate wealth shapes the living standards not only for individual families and communities, but for generations to come. Being able to afford assets like a home or a computer opens avenues to participate more fully in work, school, and community life. Also, the chance to build financial equity, for example through a retirement account or by owning shares in a company, enables people to invest in education or to start a business of their own.

Continuing influence of past legacies

Myth of mobility: Many Americans believe that wealth reflects merit or divine right (i.e., "you deserve it") and they see poverty as a sign either of personal failure or destiny (i.e., "you either jumped, or were meant to fall."). But there is more to the story. This partial view gets in the way of understanding how the political and economic structures that we create tend to push a small fraction of families into exorbitant prosperity and the vast majority into extreme adversity. Deepening socioeconomic divides since the 1970s further limit opportunities for mobility, forcing a large fraction of children and families to endure intergenerational hardship.

Stagnant wages: Even though the national economy and job market have rebounded since the end of the Great Recession, wages for most people have remained stagnant for decades, causing millions to work two or more jobs just to survive, with the heaviest burdens borne by those most historically disadvantaged.

Segregation and discrimination: Lasting effects, over multiple generations, of redlining and other race-based restrictions on real estate first deny African Americans and other people of color the opportunity to own a home, and then undercut their potential to build wealth that typically comes from home ownership. Residential segregation also cuts off networking opportunities that are often critical to access jobs and other resources.

Employment practices: In the 20th Century, organized labor unions and occupational safety and health institutions helped to bring about many changes, including better pay, reasonable hours, safer and fairer working conditions, and worker rights and benefits. Nevertheless, hazardous working conditions and exploitive employment practices still persist in many sectors and occupations, particularly in the informal sector.

Retirement security: Many Americans are not saving enough for retirement, if they are saving anything at all. Only about half of all Americans are offered retirement plans through their employer, and the vast majority of those without employer-offered plans don't save for retirement. Over the last few decades there has been a shift from defined-benefit plans to defined-contribution plans which has had real impact on retirement security. Saving for retirement is highly disparate, with high-income earners and those in union jobs experiencing greater retirement security.

Regulation: Regulations play an essential role in market economies - establishing the rules of competition, and protecting consumers, workers, and the environment. Yet, burdensome, inconsistent, and outdated regulations can cause economic distortions, and undermine business reinvestment and entrepreneurship.

Current conditions

Unemployment is **3.8%** overall, but much worse in certain places (such as Alaska and the District of Columbia), and among certain sub-groups (such as Blacks/African Americans and American Indians).¹

About twice as many people - **7.6%** - are underemployed as unemployed, including part-time workers who want to work full-time, those who have given up searching, and those officially considered unemployed.²

Approximately **7.4 million people** hold multiple jobs, including military families and employees in the some of the largest, most profitable companies in the world.³

The correlation between pay and job satisfaction is almost **zero**. That is why underpaid professionals like teachers or artists are often more satisfied with their jobs than overpaid bankers or lawyers. Only **13%** of those who work full-time are actually excited by what they do.⁴

Automation could eliminate as many as **73 million** U.S. jobs by 2030.⁵

Nearly **half** of all Americans (47%) are not able to cover a \$400 unexpected expense.⁶

Children's prospects of earning more than their parents have **fallen by 40%** over the past half century, from 90% to 50%.⁷

The dream of economic mobility is a myth for millions. Among Black/African American children, **63%** who start out at the bottom of the income scale remain there as adults, compared to 32% of white children.⁸

¹Bureau of Labor Statistics; ²FastCompany; ³Gallup and FastCompany; ⁴McKinsey Global Institute; ⁵American Federal Reserve; ⁶The Equality of Opportunity Project; ⁷Economic Policy Institute; ⁸HHS, Brookings Institution; ⁹Institute for Policy Studies; ¹⁰Urban Institute; ¹¹National Center for Employee Ownership

Major forces shaping current and future priorities

Economic inequity: America is in the midst of an unprecedented shift of wealth from what once was a large middle class to the top 0.1% of the population. Such stark economic inequity is greater in America than every other developed nation. Many see this as the defining challenge of our time.

Well-being economy: Strong incentives tend to separate--and then prioritize--corporate profit over value for people and planet, even though there are many situations where both are possible. For instance, economists largely agree that our measure of Gross Domestic Product instills perverse incentives by counting very bad things (like crime or environmental catastrophes) as economically good. Instead, a worldwide movement is emerging to use measures of "genuine progress" or "gross domestic happiness" as the focus for a well-being economy.

Service-based economy: Major sectors for employment in the U.S. have shifted away from agriculture and manufacturing, toward healthcare, education, professional services, trade, and more.

Retail apocalypse: Dramatic shifts in the retail market threaten to disrupt both the economic and physical landscape of American communities: For example, nearly a quarter of all shopping malls in the United States are at high risk of losing an anchor tenant, which could trigger a multi-decade downward spiral for mall owners and surrounding communities.

Globalization: Global supply chains and new technologies are changing both the nature and location of work (e.g., offshoring, teleworking, automation).

Gig economy: The archetype of a secure, dignified, good-paying job is gone. Many formerly reliable jobs have vanished. New kinds of work are emerging in certain places, albeit too slowly and unevenly, and perhaps not at all. The modern U.S. economy is now marked by a chaotic--and frightening--mix of layoffs, career transitions, underemployment, unpaid internships, and temp jobs in what many call a "gig economy".

Ageing: An aging population will likely create labor shortages and pressure to honor social security commitments.

Social responsibility: Changing attitudes toward corporate social responsibility and impact investing are reworking organizational priorities and partnerships. Businesses are less able to shift costs onto society (through externalities); metrics focused on environmental, social, and corporate governance are becoming routine; and companies must care more about social responsibility because their customers do and because it is necessary to attract and retain talent.

Women: Despite gains over the last several decades that have increased women's participation in the labor force, gender imbalances, discrimination, exploitation and disparities persist. In many workplaces and professions, women still earn less than men, struggle to advance, and experience sexual harassment and assault at heightened rates. Many workplaces also don't offer supports for women to fulfill family and care-taking roles, like family leave. There has been increased attention to gender inequities in the workplace recently; however, significant advances are needed to address structural issues that limit and devalue women.

Commons transition: In response to stagnant wages and economic inequity, employers are increasingly turning workers into owners through Employee Stock Ownership Plans and worker cooperatives. This is one part of a wider "commons transition" that could counter some of the most extractive and inequitable dynamics of the current economy by placing greater value on things that we hold in common.

Poverty is growing across America, with more people (**46.7 million**) and a larger fraction (14.8%) in poverty in 2015 than in 2000. Suburbs saw the number of poor residents living in distressed neighborhoods **grow by 188%**. Residents living in distressed neighborhoods increased by **172%** in small metro areas, **103%** in rural communities, and **80%** of cities.⁹

Total household debt reached a new peak in 2018, rising to **\$13.21 trillion**.¹⁰

The three richest billionaires own more wealth than the **bottom 50%** of all Americans combined.¹¹

White family wealth is **seven times** greater than black families and **five times** that of Hispanic families, due in part to a 25% difference in home ownership.¹²

Among companies that offer stock, about **36%** of employees actually own stock or options in their companies.¹³

What are important priorities or ways to ensure a positive legacy?

There are infinite opportunities to make progress, across every sphere of influence. Here are just a few that could yield great benefits:

1. Provide a job guarantee and unconditional basic income
2. Strengthen organized labor unions
3. Catalyze inclusive economic development and promote entrepreneurship, particularly among women and people of color
4. Create opportunities for cooperative and employee ownership
5. Reduce student debt through free or subsidized college tuition
6. Advance sustainable business practices by greening sectors and industries, and promoting B- and S-corps
7. Establish automatic savings in retirement plans and universal children's savings accounts
8. Reform safety net program asset tests, which can act as barriers to saving among low-income families