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A new agenda for prosperity

by Elizabeth Warren and Bill de Blasio

In this land of big dreams, there was never a dream bigger or more important than the one so deeply rooted in our values that it became known as the American Dream. Across generations, Americans shared the belief that hard work would bring opportunity and a better life. America wasn't perfect, but we invested in our kids and put in place policies to build a strong middle class.

We don't do that anymore, and the result is clear: The rich get richer, while everyone else falls behind. The game is rigged, and the people who rigged it want it to stay that way. They claim that if we act to improve the economic well-being of hard-working Americans — whether by increasing the minimum wage, reining in lawbreakers on Wall Street or doing practically anything else — we will threaten economic growth.

They are wrong.

That thinking is backward. A growing body of research — including work done by Nobel Prize-winning economist Joseph Stiglitz and the Roosevelt Institute — shows clearly that an increasing disparity between rich and poor, cronyism and an economic system that works only for those at the top are bad for the middle class and bad for our economy.

When the economy works for everyone, consumers have money to spend at businesses, and when businesses have more customers, they build more factories, hire more workers and sell more products — and the economy grows. For decades, our economy was built around this core understanding. We made big investments in the things that would create opportunities for everyone: public schools and universities; roads and bridges and power grids; research that spurred new industries, technologies — and jobs — here in the United States. We supported strong unions that pushed for better wages and working conditions, seeing those unions improve lives both for their members and for workers everywhere.

And it worked. From the 1930s to the late 1970s, as gross domestic product went up, wages increased more or less across the board. As the economic pie got bigger, pretty much everyone was getting a little more. That was how the United States built a great middle class.

Then in the early 1980s, a new theory swept the country. Its disciples claimed that if government policies took care of the rich and powerful, wealth would trickle down for everyone else.

Trickle-down believers cut taxes sharply for those at the top and pushed for "deregulation" that hobbled the cops on Wall Street and let the most powerful corporations far too often do as they pleased.

Trickle-down economics failed disastrously. The rich and powerful have become richer and more powerful . In the past 35 years, the top 10 percent got *all* the growth in income. The rest of America — 90 percent of Americans — got nothing. Zip. Zero.

Government policies matter and can make a difference. Strengthening the American Dream is about the basics:

● Make work pay by increasing the minimum wage, empowering unions to bargain collectively, ending abusive scheduling practices for hourly workers, getting people the overtime pay they deserve, ensuring equal pay for equal work and making sure employers follow the law and respect the rights of workers.

● End the squeeze on working parents by passing a paid family leave requirement and investing in child care, after-school programs and extended learning days. Let families with children have a chance to balance careers with quality time together.

● Ensure everyone can get a great education without drowning in debt. Rein in the cost of college and allow families to refinance student loans at lower rates. Give every child access to full-day pre-kindergarten. Education is still the best ticket to the middle class.

● Focus on research and innovation needed to develop the technologies of the future. Investments in medical and scientific research let us build whole new industries and give us the chance to create good jobs right here in America.

● Invest in infrastructure — in roads, bridges, rail, water, power and broadband. Businesses can't grow if the foundation crumbles beneath them. A 21st-century economy needs 21st-century infrastructure.

● Strengthen and expand Social Security, not just for today's seniors but also for today's young people. Work is changing. A strong Social Security system will ensure that all workers, no matter the number of jobs they piece together during their careers, can count on a secure retirement.

● Strengthen the rules of the marketplace. We don't build a future by turning the biggest banks loose to do whatever they want, and markets don't create value when corporations can cheat people or roll over their upstart competition.

● Promote fair trade by embracing only those trade policies that strengthen our economy, create good jobs with good wages and establish fair rules of the road for companies around the world. Our trade agreements shouldn't help multinational companies gut environmental, health and safety standards here and abroad under the guise of promoting commerce.

● Reform the tax code by ending the billions in tax breaks for corporations shipping jobs overseas and big oil companies, while leveling the playing field so that millionaires and billionaires pay their fair share.

Rebuilding our middle class won't be easy, but real change rarely is. It's time to be bold.

The American Dream depends on it.

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