

RENEWING ECONOMIC LIFE

HOW DO WE ASSIGN VALUE, DEFINE
PROSPERITY & INVEST RESOURCES?

MAXIMIZE LONG, THRIVING LIVES
GROW LOCAL ECONOMIES THAT
WORK FOR EVERYONE



RENEWING ECONOMIC LIFE

SHARED PROSPERITY

TROUBLING TRENDS

Children's prospects of earning more than their parents have fallen from 90% in 1940 to 50% today¹⁵

63% of Black children who start out at the bottom of the income scale remain there as adults, compared with 32% of White children¹⁵

Millions of Americans endure inhumane living conditions: 38M in poverty,¹⁶ 54M without enough food,¹⁷ 28M without health insurance,¹⁸ 568,000 homeless¹⁹—all of which unjustly burden People of Color

The correlation between pay and job satisfaction is almost zero²⁰

The net worth of a typical White family was nearly 10x greater than that of a Black family in 2016 and wealth inequality is growing^{21,22}

OUR ECONOMIC LIFE ENCOMPASSES MORE THAN JOBS, BUSINESSES, AND FINANCIAL INSTITUTIONS. It is an expression of what we value, who we value, and how we work together. It structures and channels our most basic transactions—and our most complex innovations. Our economic life holds tremendous possibility for unlocking trapped human potential, building wealth for working families, and sustaining the living ecosystems that support our existence.

The economic fallout from COVID-19 has exposed, yet again, the flaws in today's prevailing form of capitalism. Even as we honor essential workers, from caregivers to clerks, many of these same people are still without fair pay, still without adequate health care, and still beleaguered by hunger. COVID-19 has exposed how our economic system is designed to extract value from the many, concentrate its benefits in the hands of a few, and place us all precariously on the edge of an adversity spiral.

This legacy moment demands that we reorient our values, reinvent our industries, and reject the idea that financial return requires exposing ourselves to social or environmental ruin. Our markets, corporate practices, and public policies do not currently align with widely held American values. Those values can come to life in a new well-being economy that is just and regenerative, that safeguards workers and the environment, and that allows those long excluded from prosperity to build wealth for generations to come. We must transition to a well-being economy as if our survival depends on it—as people, families, companies, as well as for our country and planet.

SIGNS OF MOMENTUM


- For the first time in modern history, **more than half of all young adults “reject capitalism”** as we know it.²³
- **In 2018, New Zealand introduced the world's first national well-being budget.** Three other nations have since done the same. An international Wellbeing Economy Alliance (WE All) has formed to further accelerate transitions toward a well-being economy.^{24,25}
- **Nearly all Americans (89%) see the crises of 2020 as an opportunity** for large companies to hit reset and focus on doing right by their workers, customers, communities, and the environment.²⁶
- **Impact investing**, which values both economic and social return, is a \$502 billion industry that nearly doubles in size every year.²⁷
- **Companies that convert to worker and employee ownership** boost profits by as much as 14% and outperform competitors, especially during economic downturns.²⁸

LEGACY QUESTIONS

FOR RENEWING ECONOMIC LIFE

How can we be midwives to an **emerging well-being economy**?

How can we **co-create local economies** that routinely produce all of the vital conditions we need to thrive?



The first **moral principles of this system are community and sustainability**, for as, Indigenous peoples have long known, the two are one and the same. Other principles are creating opportunity for those long excluded and putting labor before capital; ensuring that assets are broadly held and that **investing is for people in place, with profit the result, not the primary aim**; designing enterprises for a new era of equity and sustainability; and **evolving ownership beyond a primitive notion of maximum extraction to an advanced concept of stewardship**.

MARJORIE KELLY & TED HOWARD, 2019

TREND BENDERS

MAXIMIZE LONG, THRIVING LIVES

HOW CAN WE BE MIDWIVES TO AN EMERGING WELL-BEING ECONOMY?

Imagine America's economy at its best: just, regenerative, multiracial, valuing all stakeholder interests, with rebalanced power and devotion to the long view of what people and places need in order to thrive.

Redefine progress and shared prosperity. Embrace benchmarks that are more meaningful than stock prices or gross domestic product. Join the club of countries that commit to well-being and justice as their chief concerns, backed by serious budget priorities, transparent living standards, and smart economic incentives.

Align incentives for purpose, profit, and values. Ensure that families, communities, companies, and investors each profit when they work together to expand vital conditions. Philanthropy and government function as allies and enablers, not the main source of solutions or resources. Corporations meet public expectations in a just marketplace. Rework the tax code to uphold widely shared American values.

Divest from harmful industries and assure a just transition for those least able to withstand the disruption.

Decentralize and democratize who makes the rules about how capital flows, who benefits, and how to assure mutual accountability. Revise fiduciary responsibilities to reflect not only narrow duties to an organization but also to the community ecosystem of which it is a part.

Look beyond the marketplace to create a thriving commons. Create economic value and civic connection simultaneously by exchanging time and talents in social networks, beginning where we live and work.



MEASURES THAT MATTER

Maximize Long, Thriving Lives

- Well-being and justice goals
- Living standards
- Opportunity indices
- Gini index
- Climate indices
- Education indices
- Just capital rankings
- Climate for entrepreneurs
- Impact investments
- Just transitions for changing industries

GROW ECONOMIES THAT WORK FOR EVERYONE

HOW CAN WE CO-CREATE LOCAL ECONOMIES THAT ROUTINELY PRODUCE ALL OF THE VITAL CONDITIONS WE NEED TO THRIVE?

Channel ingenuity and investment into innovations that expand the vital conditions, with people who are struggling and suffering leading the way. Give entrepreneurs access to the capital and support they need to start new ventures, especially for-benefit enterprises, worker cooperatives, and other forms of broad ownership.

Insist on humane living standards for every person and family: Ensure that housing, food, transportation, clean water, clean air, and contact with nature are never absent. Guarantee jobs with fair pay and paid leave. Deliver health care as a right, not a luxury. Nurture learning and development over the life course. Account for these efforts as investments in human capability, not as costs to be minimized.

Root out systemic racism in economic opportunity by removing discriminatory laws, policies, and practices that ultimately eclipse opportunities for People of Color in hiring, access to capital, homeownership, health care, law enforcement, and access to high-quality education. Interrupt the school-to-prison pipeline.

Design work with dignity, value, and purpose. People find meaning in what they do and have a personal stake in co-creating lasting value through their organizations and businesses. Work also confers basic financial freedom, not only to stay ahead of living expenses and absorb emergency financial shocks, but also to have a realistic chance at building intergenerational wealth.

Anchor local living economies. Place-based institutions anchor economic life when they commit to local hiring, sourcing, and investing. Intentionally interdependent industries work together to expand vital conditions, marked by local, sustainable food; transportation designed for safety, not speed; affordable housing, close to work; health care centered on health and well-being; as well as law enforcement that liberates, rather than punishes.



MEASURES THAT MATTER

Grow Local Economies That Work for Everyone

- Financial well-being
- Ability to afford emergency expense
- Household finances
- Job satisfaction
- Community wealth
- Healthy places index
- Food security
- Safe, active transportation
- Housing safety, stress
- Health insurance
- Health care adequacy
- Incarceration
- Police violence

The **Portland Community Investment Trust** is a novel financial product for community ownership. Resident investors—mostly renters, women, People of Color, refugees, and immigrants—invest from \$10 to \$100 a month to buy shares. They then receive annual dividends and gain from long-term appreciation in the price of their shares.

Over 30 months, the Community Investment Trust met the needs of residents often not able to access to traditional investment opportunities:

- 160 families received dividends averaging 9.3%, with a share price gain from \$10/share to \$15.86/share.
- 98% of investors renew their investment each year.
- 68% of investors report that they are voting and becoming more active in their neighborhood because they are owners.

FROM THE **INVESTMENT** DEEP DIVE

