

# COMMON SENSE CONVERSATIONS

**Introduce:** Start with a conversational and comfortable approach. “Hi, how are you?”



*Approach people when they have some time to talk. Ask whether you can tell them about a campaign you are involved in to improve the economy for working people.*

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**Share:** Tell them you have been to a workshop about what is happening with the economy. Tell a short story about how you or someone close to you has been impacted by the economy. Say that everyone at the workshop had a similar story.



*Keep your story short and focused, but choose some telling details that make it real. Then be clear this is not about just you, it is about all of us.*

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**Inquire:** Ask the person what their experiences have been.



*Listen to what they say! Getting the person you are talking to engaged in the conversation at this point is crucial. Ask follow-up questions based on their experiences to hear more about their thoughts on why this is a problem, not just for them but also their friends, family and neighbors.*

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**Inform:** Explain that our out-of-balance economy is the result of deliberate policy choices. Corporate CEOs and politicians have manipulated the rules of the economy in their favor—keeping wages low, creating tax loopholes for corporations and offshoring jobs. We can change the rules.



*There is no need to get all technical here! Naming a couple of policy examples that the person you are talking with can relate to will suffice.*

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**Ask:** Invite the person to get involved in taking action together to change the rules of the economy. Ask them to be part of the political, legislative or community campaign that is the focus of the session.



*Ask them to do something specific—come to a meeting, make a phone call to an elected official, etc. Let them know their participation really will matter. Have a couple of options ready to offer on how they can take action.*

# REWRITING THE RULES OF THE AMERICAN ECONOMY

AN AGENDA FOR GROWTH AND SHARED PROSPERITY

**AFL-CIO SUMMARY**  
**OF THE REPORT BY JOSEPH STIGLITZ,**  
*CHIEF ECONOMIST, ROOSEVELT INSTITUTE*

Our economy is out of balance. For the past 35 years, corporate executives, Wall Street traders, and the one percent have accumulated wealth and power while the wages and living standards of working people have eroded. This pulling apart is not an accident. It is the result of active lobbying by CEOs and powerful interests to make financial institutions more powerful, and to weaken policies that protect American workers, raise wages, and create opportunity for the middle class.

It doesn't have to be this way. Economic rules are made by people, and we the people can change them.

We need new rules to change the way our economy works and create new incentives for both businesses and working people. We need a better balance of power between labor, business, and the government. New research shows that equality and strong economic performance go hand in hand, and our economy works best when it is working for everyone.

A tentative, incremental, piecemeal approach will not suffice. Professor Stiglitz outlines a comprehensive policy agenda that has two parts: policies that "Grow the Middle" and those that "Tame the Top."

## POLICIES THAT GROW THE MIDDLE

**Make full employment real.** Reform monetary policy to give higher priority to full employment.

**Reinvigorate public investment** by creating a large-scale, ten-year campaign to make the U.S. a world leader in cutting-edge 21st century infrastructure, manufacturing, and scientific innovation.

**Empower workers and raise wages.** Strengthen the right to join a union and bargain for a better life, ensure timely contract negotiation, impose stricter penalties on anti-union activities, tie public sector contracts to high labor standards, increase the minimum wage, make more people eligible for overtime pay, and increase funding to enforce labor standards.

**Expand opportunity and economic security for all.** Create a pathway to citizenship for immigrant workers. Reform the criminal justice system to reduce incarceration rates and related burdens on the poor. Invest in universal pre-K, paid sick days, paid family leave, and pay equity to increase opportunity and improve the working conditions for working parents and women. Reform student loan financing to reduce the costs of college. Open up Medicare to all.

## POLICIES THAT TAME THE TOP

**Fix the financial sector.** Make risky large financial institutions pay a fee so we don't have to pay for a bailout. Break up banks that are unable to produce a "living will" that

shows they will not require a bailout. Require the dangerously under-regulated "shadow banking system" to play by the same rules as other financial institutions. Require all asset managers to disclose holdings, returns, and fee structures. Increase the penalties on companies and officials who break the law.

**Focus corporate executives on long-term investment.** Enact a small tax on Wall Street trades to discourage short-term speculation and encourage long-term investment. Eliminate the CEO performance pay loophole that ties CEO pay to short-term stock prices instead of long-term performance. Raise the tax rate on short-term capital gains and non-productive long-term capital gains (land speculation) even higher. Require that corporate boards disclose the size of the CEO compensation package relative to median worker pay, business performance, and the dilution resulting from grants of stock options.

**Rewrite tax rules.** Raise income tax rates on the wealthy. Raise tax rates on capital gains to equal the tax rates on labor income. Eliminate the loophole that allows companies to hold profits tax-free offshore and the tax incentive for outsourcing.

**Change the rules in trade agreements to better protect workers and the environment, instead of investor profits.** Make access to U.S. consumer markets contingent on compliance with labor and environmental standards (i.e., create a social standards export license). Increase transparency in the negotiating process. Reject investor dispute settlement procedures that allow private international courts to undermine public interest regulations.