

## An Economic Agenda for American Families: Empowering Working and Middle Class Americans to Thrive

In America today, it is harder and harder not just to get ahead, but to hold on to what we've got. The stock market may be up, but millions of Americans see their paychecks stay flat even as the cost of health care, housing, and college are rising.<sup>1</sup> For too many workers, one job is not enough. Working and middle class families simply can't keep up.

In my mom and dad's generation, nine out of every ten kids did better than their parents. But for Americans of my generation, the odds are no better than a coin flip.<sup>2</sup> Working family incomes have stagnated almost my entire life.<sup>3</sup> Meanwhile, most of our economic growth goes to a smaller and smaller slice of the wealthiest Americans—a dangerous level of inequality that not only threatens our economic security but tears at the very fabric of our democracy and our society.<sup>4</sup>

We need an economy that delivers more. **Families across the country need to see higher incomes, lower costs, and a brighter future for our children.** In the United States of America, economic gains should be shared by everyone and everyone should have a fair shot at real opportunity.

The status quo with companies like Facebook and Uber setting the rules and government sitting on the sidelines must change. Our government can, and should, play a role in setting a level playing field that gives all Americans a chance to succeed. That doesn't mean government taking over the economy. But government *does* need to be a vigorous presence in ensuring that our economy actually works for all. That means strict enforcement of new and existing labor laws to rebalance power toward workers and ensure that new industries and technologies fuel growth, not more inequality. That means public investments that lead to thriving workers, children, and families. And that means providing Americans with low-cost, high-quality public options in health and education that spurs competition and drives the private sector to improve.

**As president, I will measure success not just by the size of the stock market or gross domestic product, but by whether working and middle class families are succeeding.** I will use public enforcement, public investments, and public options to make the economy deliver for all Americans, not just those at the top.

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<sup>1</sup> From 2001 to 2016, real income per adult (i.e. income adjusted for rising costs) fell by 5% among those not in the top half. See column 1 of sheets [TB6-TB9](#) from Piketty, Thomas, Emmanuel Saez, and Gabriel Zucman. "[Distributional National Accounts: Methods and Estimates for the United States.](#)" *The Quarterly Journal of Economics* 133, no. 2 (May 10, 2018): 553–609.

<sup>2</sup> Leonhardt, David. "[The American Dream, Quantified at Last.](#)" New York Times. December 8, 2016. This news article is based on Chetty, Raj, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca, and Jimmy Narang. "[The Fading American Dream: Trends in Absolute Income Mobility Since 1940.](#)" National Bureau of Economic Research Working Paper Series. December 2016.

<sup>3</sup> From 1979 to 2016, average income per adult in the bottom half of the income distribution rose only 2%. This statistic refers to all-in pay and benefits, including employer-provided health care. See: Piketty, Thomas, Emmanuel Saez, and Gabriel Zucman. "[Distributional National Accounts: Methods and Estimates for the United States.](#)" *The Quarterly Journal of Economics* 133, no. 2 (May 10, 2018): 553–609.

<sup>4</sup> From 2001 to 2016, income per adult rose by 21% among the top tenth but rose by only 4% among the remaining 90% and fell by 5% among those not in the top half. See column 1 of sheets [TB6-TB9](#) from Piketty, Thomas, Emmanuel Saez, and Gabriel Zucman. "[Distributional National Accounts: Methods and Estimates for the United States.](#)" *The Quarterly Journal of Economics* 133, no. 2 (May 10, 2018): 553–609.

## LOWER COSTS

Today, more than half of a working family's income is consumed by housing,<sup>5</sup> health care, and child care<sup>6</sup>—and when kids grow up and go to college, expenses only increase.<sup>7</sup> Pete will lower costs in health care, college, child care, and housing through public regulations that protect consumers, and low-cost, high-quality public options that keep the private sector competitive.

- **Lower housing costs.** Rent—let alone owning your own home—is simply out of reach for too many families in both our larger cities and our rural areas.<sup>8</sup> That's why Pete will invest \$430 billion in affordable housing and other measures to bring housing costs down for working families.

Pete's administration will unlock access to affordable housing for over seven million families, and continue to support federal homeownership programs that have created pathways to the middle class for millions of Americans. He will enable more than 2 million more units of affordable housing to be built or restored where it is needed most, using billions of dollars of investments in the Housing Trust Fund, Capital Magnet Fund, HOME and CDBG funds, and the Low Income Housing Tax Credit. He will enable one million low-income families to become homeowners by providing federal down payment assistance and matching funds to scale successful local programs. His administration will invest \$170 billion to ensure that all eligible families with children receive housing choice vouchers, and that they also have access to wrap-around services that unlock high opportunity neighborhoods. And he'll make critical investments in local infrastructure, education, and business development to ensure that every neighborhood is a neighborhood of opportunity.

Pete will also work with states and cities to reform local zoning laws to make it easier to build housing for working and middle class-families, and repair or replace deteriorated public housing stock. He'll end homelessness for youth and families with children and fully fund lead paint remediation to protect our most at-risk families. And he will pass the 21st Century Community Homestead Act to facilitate wealth accumulation through homeownership for low-income families from formerly redlined neighborhoods, supporting neighborhood revitalization that benefits local residents.

- **Lower child care costs.** In more than half of states, a year of child care is more expensive than in-state college tuition—preventing millions of children from accessing the high-quality early learning that catalyzes critical early development.<sup>9</sup> That's why Pete will make a historic \$700 billion investment in affordable, universal, high-quality early learning, as well as outside-of-

<sup>5</sup> Bureau of Labor Statistics. "[Consumer Expenditures - 2018](#)." Economic News Release. September 10, 2019.

<sup>6</sup> Malik, Rasheed. "[Working Families Are Spending Big Money on Child Care](#)." Center for American Progress. June 20, 2019.

<sup>7</sup> Powell, Farran, and Emma Kerr. "[What You Need to Know About College Tuition Costs](#)." U.S. News & World Report. September 18, 2019.

<sup>8</sup> Dewan, Shaila. "[In Many Cities, Rent Is Rising Out of Reach of Middle Class](#)." The New York Times. April 14, 2014.

<sup>9</sup> Zillman, Claire. "[Childcare Costs More Than College Tuition in More Than Half of U.S. States](#)." Fortune, October 22, 2018.

school learning opportunities in K-12 education. He will make early learning and care from birth through age five free for lower-income families and affordable for all families, and invest in workforce development and compensation for the child care workforce. This will ensure that children benefit from early learning, and that parents can participate as fully in the labor market as they choose. He will strengthen and build on Head Start, the successful public program that has positive outcomes for K-12 school performance, child development, and economic success.<sup>10</sup>

Child care costs continue after children start school. That’s why Pete will invest in a new innovative program to provide cost assistance to working and middle class families for after-school care and summer programming, helping to combat the summer learning loss that disproportionately hurts low-income and minority youth.<sup>11</sup> Not only do these investments lower family costs, they also grow the economy. Working parents will be able to better manage full time jobs, and children will be enriched with skills that earn them higher incomes and satisfaction as adults.<sup>12</sup>

- **Lower college costs.** Tuition at public four-year colleges has tripled over the last 30 years.<sup>13</sup> Those costs squeeze families and stifle our future—putting the brakes on new industries, businesses, or scientific discoveries that could accelerate economic growth. That’s why Pete will invest \$500 billion to make college affordable for working and middle class families. The 80% of families of public college students that earn up to \$100,000 will not pay any public college tuition. The next 10% of families, earning \$100,000-\$150,000, will get a reduced public tuition on a sliding scale.<sup>14</sup> To keep tuition costs in check, in exchange for receiving federal dollars states will guarantee to invest in their public higher education systems and constrain tuition increases.

Larger Pell Grants for students at public colleges will help with costs such as housing and transportation, enabling students from low-income backgrounds to graduate completely debt free. And, Pete will make \$50 billion in new investments in Historically Black Colleges and Universities and other Minority Serving Institutions to help students of color thrive. Pete will soon release details to address student debt burdens.

- **Lower health care costs.** One out of every five dollars spent in America is spent on health care.<sup>15</sup> These costs are devastating American families. That’s why Pete’s [Medicare For All Who Want It](#)

<sup>10</sup> Kline, Patrick, and Christopher R. Walters. “[Evaluating Public Programs with Close Substitutes: The Case of Head Start.](#)” *The Quarterly Journal of Economics* 131, no. 4 (November 2016): 1795–1848.

Schanzenbach, Diane Whitmore, and Lauren Bauer. “[The Long-Term Impact of the Head Start Program.](#)” Brookings Institution. August 22, 2017.

<sup>11</sup> Quinn, David M., and Morgan Polikoff. “[Summer Learning Loss: What Is It, and What Can We Do about It?](#)” Brookings Institution, September 14, 2017.

<sup>12</sup> Afterschool Alliance. “[Taking a Deeper Dive into Afterschool: Positive Outcomes and Promising Practices.](#)” Afterschool Alliance, February 2014.

<sup>13</sup> College Board. “[Trends in College Pricing 2018 - Published Charges over Time.](#)” 2018.

Martin, Emmie. “[Here's How Much More Expensive It Is for You to Go to College than It Was for Your Parents.](#)” CNBC. November 29, 2017.

<sup>14</sup> Analysis of data from U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16); and U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey (HEGIS), "Fall Enrollment in Institutions of Higher Education" surveys, 1970 through 1985; Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment Survey" (IPEDS-EF:86-99); and IPEDS Spring 2001 through Spring 2018, Fall Enrollment component. (This table was prepared October 2018.)

<sup>15</sup> “[National Health Expenditure - Historical.](#)” Centers for Medicare & Medicaid Services. December 11, 2018.

plan gives Americans a low-cost, high-quality choice when it comes to their health care. The public option will force private insurers to step up: if they want to compete, they're going to have to find a way to cut costs and provide better services.

- **Lower prescription drug costs.** Drugs are more expensive in America than in any other country in the world.<sup>16</sup> The government has been sitting on the sidelines, letting pharmaceutical companies set abusive prices.<sup>17</sup> Pete's [Affordable Medicine For All](#) plan dramatically reduces drug costs and forces pharmaceutical companies to price responsibly and pay their fair share.
- **Protect consumers' rights.** Another major source of high costs in America are the bad actors that have abused corporate power and trampled on consumer rights. Pete knows that our system is off balance when you can't sue your credit card company even after they get caught ripping you off. Pete will announce a bold regulation plan to end these abuses and many more, further lowering costs for working and middle class families.

## RAISE INCOMES

Pete's agenda starts by raising incomes for working and middle class families. He will raise working and middle class incomes by unlocking income earned by working Americans and resetting the balance of power between workers and corporations. And he will invest in workers and the good paying middle class jobs of the future in growing industries like clean energy, health care, and technology.

### Break barriers that stop workers' incomes from growing

Working and middle class Americans are not getting paid what they are due. Corporations suppress women's incomes. Black Americans face barriers to getting a promotion or starting a business. Working and middle class families often face higher tax rates than billionaires.<sup>18</sup> Pete will change this with policies that:

- **Grow workers' income by expanding the Earned Income Tax Credit** to increase incomes by an average of \$1,000 per year for 35 million American families—as proposed in the Working Families Tax Relief Act by Senators Brown, Bennet, Durbin, and Wyden. This \$400 billion tax cut offsets income taxes and other taxes that eat into workers' take-home pay.<sup>19</sup>

<sup>16</sup> Langreth, Robert. "[Quick Take: Drug Prices.](#)" Bloomberg. February 5, 2019.

<sup>17</sup> Picchi, Aimee. "[Drug prices in 2019 are surging with hikes at five times inflation.](#)" CBS News. July 1, 2019.

<sup>18</sup> Leonhardt, David. "[The Rich Really Do Pay Lower Taxes Than You.](#)" The New York Times. October 6, 2019.

<sup>19</sup> Number of families: Marr, Chuck, Brendan Duke, Yixuan Huang, Jennifer Beltrán, Vincent Palacios, and Arloc Sherman. "[Working Families Tax Relief Act Would Raise Incomes of 46 Million Households, Reduce Child Poverty.](#)" Center on Budget and Policy Priorities. April 10, 2019. Cost: Maag, Elaine. "[Working Families Tax Relief Act Provides Substantial Benefits - And Misses Opportunity.](#)" Tax Policy Center. September 26, 2019.

- **Pass a \$15 minimum wage** that delivers a raise to over 25 million low-wage workers and spurs wage increases for millions more middle-wage workers.<sup>20</sup> Pete will also end the tipped minimum wage and the subminimum wage.
- **Ensure all working Americans have access to paid sick leave and 12 weeks of comprehensive paid family and medical leave.** Pete will pass an enhanced version of the FAMILY Act to create a national paid family and medical leave fund, which will include making sure that benefits for lower-income workers are high enough for workers to afford to take leave.
- **Unlock the income power of women** by requiring gender pay transparency, banning the use of salary history to determine wages, passing the Paycheck Fairness Act, aggressively enforcing anti-discrimination and anti-harassment laws, and ensuring women can access the STEM education and technical training that enable them to join and lead America’s most innovative industries.
- **Unlock the income power of Americans of color** who have been intentionally excluded from American prosperity. Through actions that include launching the [Walker-Lewis Initiative](#), expanding the SBA Microloan Program, doubling large SBA 7a loans awarded to women-owned small businesses, and supercharging investment (5X) in Community Development Finance Institutions, Pete will unlock \$60 billion to support underrepresented entrepreneurs including Black Americans and women.
- **Increase salaries for teachers, domestic workers, and direct care workers** by raising pay standards, ensuring the right to union representation and bargaining, and creating pathways to career development and certification.

**Open the door to better paying jobs for more Americans**

We must raise incomes and keep them growing. Pete’s administration will do this through major public investments in workforce development and job growth that keep the wheels of industry turning, and ensure workers can benefit. Pete will work with states and local communities to:

- **Fuel the economy of the future by growing successful job training programs for all workers of all ages in every city and town in America.** Pete will invest \$50 billion in workforce training and lifelong learning. Local non-profits, unions, employers, and community colleges have created proven pathways for young and middle-age workers into good jobs in health care, technology, clean energy, and other local growth industries.<sup>21</sup> Pete will invest federal dollars into these programs so that incomes can grow for all workers, whether or not they have a college degree.

<sup>20</sup>Cooper, David. “[Raising the Federal Minimum Wage to \\$15 by 2025 Would Lift Wages for over 33 Million Workers.](#)” Economic Policy Institute, July 17, 2019. The 33.5 million number includes directly affected workers and also workers who benefit as the pay rises ripple up the pay ladder: about 40% of wage gains after a minimum wage increase accrue to workers above the new minimum. See: Cengiz, Doruk Arindrajit Dube, Attila Lindner, and Ben Zipperer. “[The Effect of Minimum Wages on Low-Wage Jobs](#)” *The Quarterly Journal of Economics* 134, no. 3 (May 02, 2019): 1405–1454.

<sup>21</sup>For example: Schwartz, Nelson D. “[Job Training Can Change Lives. See How San Antonio Does It.](#)” *The New York Times*, August 19, 2019.

- **Create a national network of apprenticeships.** Pete will invest up to \$5 billion over the next decade to ensure an apprenticeship program in a growing industry is available within 30 miles of every American.
- **Create more than three million high-paying clean energy and infrastructure jobs** by investing in green infrastructure and other measures that will prevent climate catastrophe and revitalize local communities.
- **Provide transition assistance for displaced workers and communities, through a 10-year, \$200 billion fund** for worker training and transition. Pete will also offer manufacturing technology transition loan guarantees for retooling existing automobile and powertrain assembly lines and boosting domestic manufacturing of innovative materials, batteries, and electric propulsion technologies.
- **Deliver high-speed broadband internet to underserved communities by investing \$80 billion in Pete’s Internet For All Initiative.** Decades ago, electrification and the national highway system brought wage growth to every corner of America. Better internet will enable rural workers to be more productive and earn higher wages, as well as unlock the potential for local business growth and global connectivity.<sup>22</sup>
- **Expand and connect Regional Innovation Clusters to revitalize America’s rural economy and catalyze job creation.** Pete will provide up to \$500 million in federal funds to develop and support a national network of 1,000 clusters and create additional matching funding for investment in innovative rural businesses.

**Reset the balance of power between workers and corporations**

Government and business policies have relentlessly tilted the balance of power away from workers and toward corporations. The minimum wage has fallen by 30%.<sup>23</sup> Union membership has fallen by 70%.<sup>24</sup> For some workers, especially those that work for Uber, McDonald’s Google or countless other companies that claim they don’t employ their workers, bargaining does not even exist.<sup>25</sup> Basic benefits like paid sick

<sup>22</sup>“[Improved Digital Access Means Big Opportunities for Rural American Businesses.](#)” US Chamber of Commerce. March 21, 2019.

<sup>23</sup> The federal minimum wage has fallen from \$10.54 in 1968 (in 2019 dollars) to \$7.25 today.

Cooper, David, Elise Gould, and Ben Zipperer. “[Low-Wage Workers Are Suffering from a Decline in the Real Value of the Federal Minimum Wage.](#)” Economic Policy Institute. August 27, 2019.

<sup>24</sup> Union membership rates have fallen from 35% in the 1950s to 10.5% in 2018.

Hirsch, Barry, and David Macpherson. “[Union Membership, Coverage, Density, and Employment Among All Wage and Salary Workers, 1973-2018.](#)” 2019.

Greenhouse, Steven. “[Union Membership in U.S. Fell to a 70-Year Low Last Year.](#)” The New York Times. January 21, 2011.

<sup>25</sup> Bahn, Kate, “[McDonald’s, Monopsony, and the Need for Joint Employer Standards.](#)” Washington Center for Equitable Growth. April 5, 2018. The number of U.S. McDonald’s restaurants grew from 2,500 in 1973 to 14,000 in 2015. See: Vella, Matt, “[Here’s How McDonald’s Became the King of Burgers.](#)” Fortune. May 15, 2015.

Wakabayashi, Daisuke, “[Google’s Shadow Work Force: Temps Who Outnumber Full-Time Employees.](#)” The New York Times. May 28, 2019. Fernández Campbell, Alexia, “[The Worldwide Uber Strike Is a Key Test for the Gig Economy: Uber Drivers Can’t Unionize. They’re Striking Wednesday Anyway.](#)” Vox. May 8, 2019.



leave are left completely up to employers. Pete’s bold [Empowering Workers plan](#) will shift the balance of power back to workers and deliver fair, higher incomes.

- **Hold employers accountable to labor law.** Pete will codify and strictly enforce simple tests to prevent workers from being denied minimum wage, overtime, and antidiscrimination protections—and their ability to unionize.
- **Protect unions.** Pete will double union membership by imposing the strongest union protections ever, including equal-speech rights in union elections, multimillion-dollar penalties to employers that interfere with union elections, and an end to so-called “right-to-work” laws.
- **Grow unions for the future.** Pete will enable multi-employer bargaining and ensure that gig workers can unionize, expanding union protections and power.
- **Expand worker protections** for gig workers, farm workers, and domestic workers—all of whom are currently denied protections.

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The next generation has always been better off than the previous, but we risk breaking that compact and deepening inequality if we don’t change course fast to make big, innovative, and effective public investments in the next generation and in the economy they will inherit.<sup>26</sup> The choice between equality and growth is false—we can only achieve better outcomes for middle and working class families with a strategy for economic growth that catalyzes the potential of every person, and every place, in America.

Pete will invest in our future by making sure that families can afford to live in neighborhoods that are springboards to opportunity—and that in areas too often left behind, such as across rural America, children can grow up to stay and thrive in their communities. He will provide universal, affordable child care that nurtures young minds; build a K-12 education system with high-quality STEM, arts, and civic education; and invest in affordable college for all. Through forward-looking workforce training, Americans at any age can compete for good-paying jobs in cutting edge industries that keep America as the driver of global innovation. His administration will revitalize our infrastructure, housing system, and approaches to local development to promote economic growth and innovation in communities across the country.

Through new, fair public options that cut costs for working and middle class families, stronger regulatory enforcement that keeps private industry playing by the rules, and smart public investments that kickstart growth, Pete will lead us into a more equitable and prosperous 21st century.

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<sup>26</sup> Leonhardt, David. “[The American Dream, Quantified at Last.](#)” New York Times. December 8, 2016. This news article is based on Chetty, Raj, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca, and Jimmy Narang. “[The Fading American Dream: Trends in Absolute Income Mobility Since 1940.](#)” National Bureau of Economic Research Working Paper Series. December 2016.  
Powell, John A. “[Six policies to reduce economic inequality.](#)” Othering & Belonging Institute at UC Berkeley. February 9, 2014.