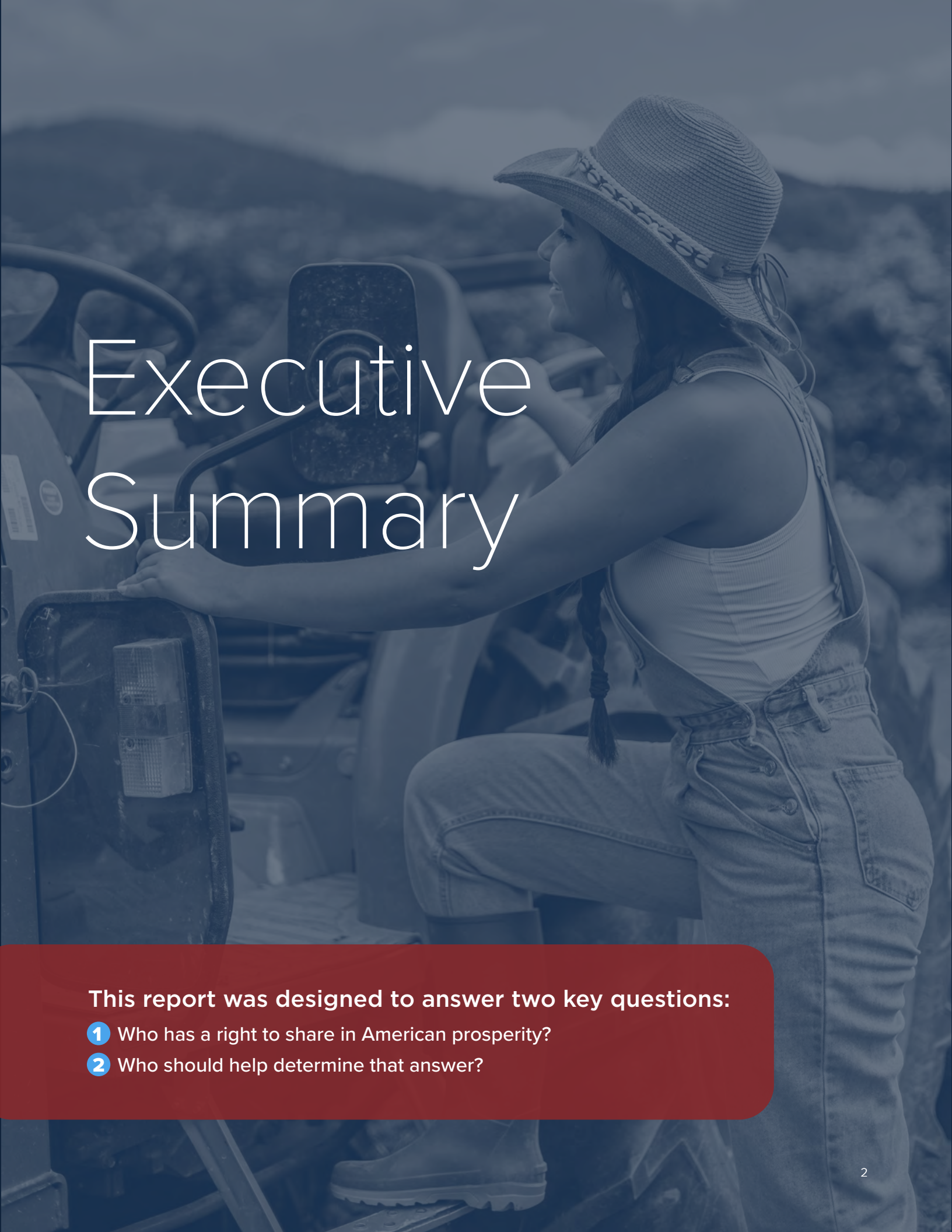
RCL
REIMAGINING CAPITALISM LAB

Beyond Affordability:

Moving from a New Gilded Age to an Era of Democratic Capitalism

NOVEMBER 2026





Executive Summary

This report was designed to answer two key questions:

1. Who has a right to share in American prosperity?
2. Who should help determine that answer?

1 *Who has a right to share in American prosperity?*

2 *Who should help determine that answer?*

To wrestle with these, I spent months weaving together four different forms of expertise:

- Community conversations with hundreds of attendees in rural, suburban, and urban communities
- Deep interviews with CEOs and business/civic leaders
- A poll of a diverse pool of over a thousand voters
- Academic and public research from over a hundred sources

Weaving across traditional and community forms of expertise, I uncovered four key findings:

1 We are experiencing levels of economic inequality not seen in generations

- The Top 1% now take home a higher percentage of the national income and hold a greater share of the national wealth than they have since the Great Depression and World War II.[1]
- CEOs used to earn 20 times the median worker in the 1960s and 1970s. They now earn roughly 300x the median worker.[2]
- Among major global economies, the United States is an outlier, ranking near the top in how much income and wealth is concentrated among the Top 1%.[3]

2 We aren't facing an "Affordability Crisis," we are struggling through a "Basic Needs Crisis"[4]

- 43% of voters report they are "currently struggling" to afford food, shelter, and/or health care.
- 83% of voters say they have "worried about affording the essentials" in the past 6 months. This includes 56% of voters in households earning more than $150,000/year.

3 Economic inequality is becoming a crisis of fairness — and faith in our institutions[5]

- By a margin of more than 2:1, voters believe the ultra-rich are wrong for earning too much money today over the belief that the ultra-rich should be celebrated for being successful.
- Political scientists Eli Rau and Susan Stokes found in a global review of democracies over a roughly 50-year period that "the larger the share of national income and wealth going to the top one percent and top 10% of the population, the more likely the democracy is to erode."[6]
- 81% of voters who are worried about affording the essentials believe the "political systems ... are stacked against them" compared to only 38% of voters who aren't worried about affording the essentials.

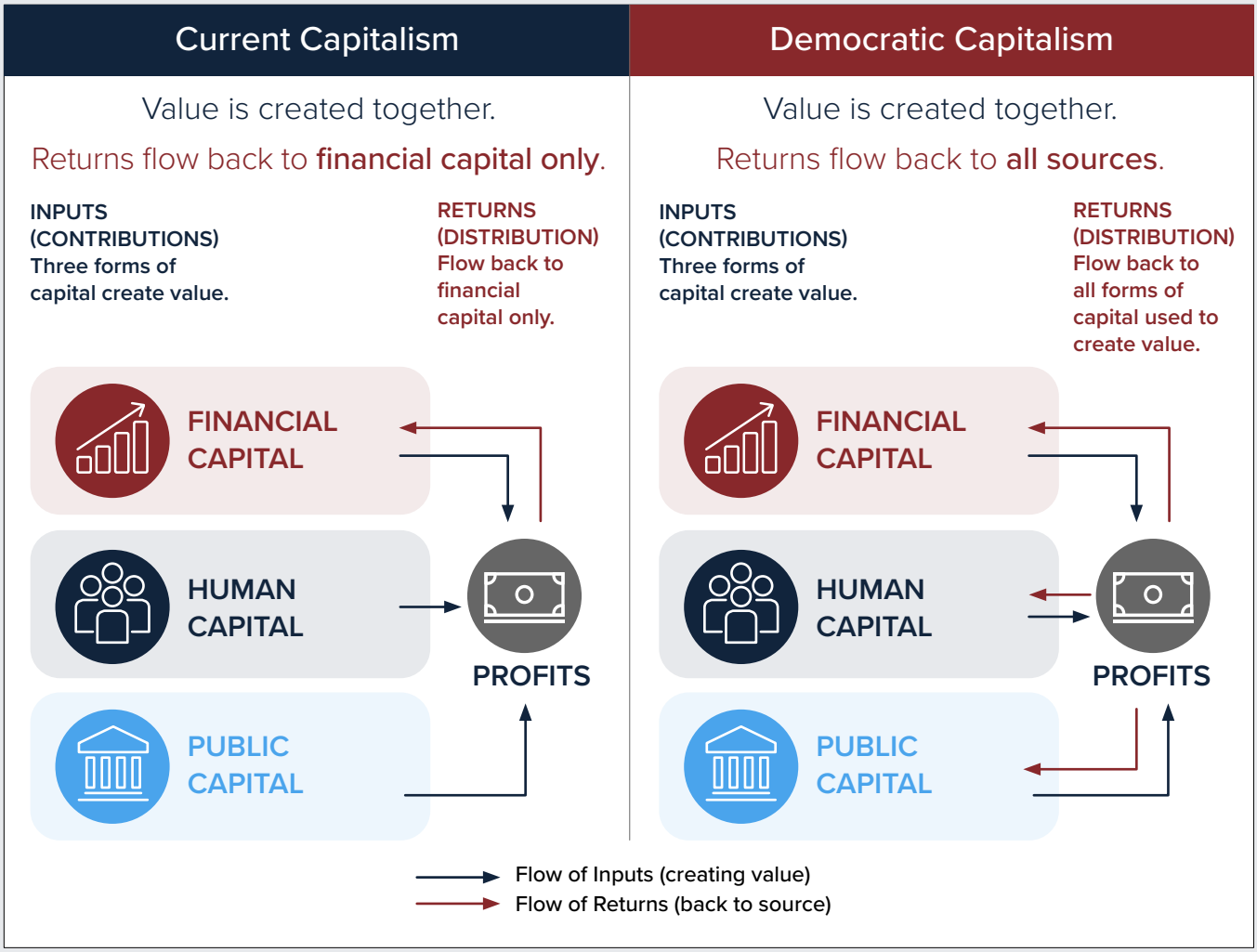
4 Voters are ready for bold solutions[7]

- By a 23-point margin, voters want elected officials to pursue "bold ideas" to reduce economic inequality rather than prioritize policies focused simply on "making government work."
- 69% of voters think we need to either pursue a major overhaul of our capitalist system or "rethink and reform capitalism."
- The solutions voters like most are those that give workers a greater claim on the prosperity they help create.

Taken together, the research suggests that America's Basic Needs Crisis and Inequality Crisis are not only about how much prosperity people have. They are also about who our economic system recognizes as having a legitimate claim to the prosperity we create together. What if the challenge is not simply figuring out how to redistribute prosperity after it has already been allocated, but instead determining who has a rightful claim to that prosperity in the first place?

Today, financial capital, human capital, and public capital all contribute to the creation of business value. Yet our economic and legal systems largely reserve the residual profits for the providers of financial capital alone.

Democratic Capitalism offers a different framework: investors, workers, and the public should all have legitimate claims on the prosperity they help create. This is not an argument for dividing profits equally among the three. It is an argument that our laws and economic institutions should recognize that prosperity is built by and for more than investors alone.



> *What if the challenge is not simply figuring out how to redistribute prosperity after it has already been allocated, but instead, determining who has a rightful claim to that prosperity in the first place?*

To bring about Democratic Capitalism, we should explore three types of policies:

1 Tying worker pay to executive pay

When the pay of frontline workers and CEOs mirrors each other in structure and amount, workers at all levels can share more equitably in the profits they help create. Two concrete policies in this wave are:

- Relative minimum wage – Requiring that the lowest-paid and median-paid workers are paid at least some fraction of what the highest-paid workers are paid. (77% voter support[8])
- Shared Ownership Pay – Requiring that when businesses pay their senior executives in salary and equity, they must pay all workers in both salary and equity. (78% support)

2 Ensuring workers share in the profits they help create

When workers receive profit distributions, they share in the value they help build. Two concrete policies in this wave are:

- Worker Dividend – When companies distribute profits to their investors in the form of dividend payments or stock buybacks, they must distribute some profits to non-managerial employees. (71% voter support)
- Increased Employee Ownership – Adopt a holistic suite of policies to drive up the number of firms owned by their workers. (77% voter support for tax incentives for employee-owned firms; 64% voter support for government contracting preferences for employee-owned firms)

3 Ensuring communities share in the prosperity their resources help make possible

When a community's public goods — such as their roads, their energy grids, their natural resources, their public schools, their courts — are used to help enable business profits, some of those profits should be shared with members of the public. One example of this policy wave:

- Citizen Dividend – A percentage of business profits should be paid into a fund that distributes an equal annual distribution to all citizens. (53% voter support)

3 Waves of Policies to Bring About Democratic Capitalism

WAVE 1
Tie worker pay to executive pay

POLICY IDEAS

Relative Minimum Wage

Requiring that the lowest-/median-paid workers are paid at least some fraction of what the highest-paid workers earn

77% voter support

Shared Ownership Pay

Requires businesses that pay their senior leaders in salary and equity also pay their workers in salary and equity

78% voter support

WAVE 2
Ensure workers share in the profits they help create

POLICY IDEAS

Worker Dividend

When companies distribute profits to their investors in the form of dividend payments or stock buybacks, they must distribute some profits to non-managerial workers

71% voter support

Increase employee ownership of firms

Provide tax incentives to companies to expand worker ownership, and/or use government contracting preferences to grow employee ownership.

77% voter support for tax incentives

64% voter support government contract preferences

WAVE 3
Ensure communities share in the prosperity their resources help make possible

POLICY IDEAS

Citizen Dividend

A certain common percentage of business profits should be paid into a national fund that distributes an equal annual distribution payment to all citizens

53% voter support

This report is not intended to be the final word on Democratic Capitalism. It is an invitation to begin building it. The policies offered here are starting points — ideas for policymakers, researchers, labor unions, community organizations, business leaders, philanthropists, and members of the media to test, challenge, refine, and improve.

America has demonstrated an extraordinary capacity to create prosperity. **The question before us now is whether we can build an economy in which everyone who helps create that prosperity has a meaningful opportunity to share in it.**



Two Questions

KEY TAKEAWAY:

If our democracy and our economy are to thrive in the decades ahead, we must answer a foundational question: **Who has a rightful claim to the prosperity we as Americans create together?**

This report began with two simple questions:

1 *Who has a right to share in American prosperity?*

2 *Who should help determine that answer?*

For nearly a decade, I served as a civil rights leader in Illinois. I traveled throughout the state spending time in people's homes, church basements, classrooms, and the offices of elected officials. In community gatherings and quiet conversations, I would ask people a version of the question civil rights organizer Ruby Sales used to ask, "Where does it hurt?"

Throughout this time, two stories kept emerging, getting louder and louder over the years. The first story was about financial struggle. People shared that affording adequate health care, purchasing a home, even buying food seemed harder than it had in years.

The second story was about fairness. The themes flowing from the 2008 financial crisis and the 2016 presidential campaign echoed throughout the cities and towns across the state. People regularly pointed to the rich and powerful — Jeff Bezos, Mark Zuckerberg, Elon Musk, Jeffrey Epstein — as playing by a different set of rules than everyone else. And this discrepancy irked many and enraged a few.

These two stories came together in gatherings and at people's doors when over and over again Illinoisans told me how their trust in our political leaders, our politics, and our democracy was waning. We were far from the days of "hope and change" and moving rapidly into an era of "disillusionment and distrust." Unless we tackled these questions around basic needs and fairness, I foresaw a world in which our democracy and the civil rights issues I cared about crumble.

CAPITALISM CAN CREATE SHARED PROSPERITY — OR EXACERBATE MASSIVE INEQUALITIES

Capitalism can be an incredible force for good. Perhaps no other economic system has been able to lift billions of people out of abject poverty in as short a period of time as global capitalism has in the past few decades.

In particular, American capitalism has accomplished a lot over the past century. It has produced remarkable innovations ranging from the internet and the iPhone to mRNA vaccines. In the period between 1980 and 2014, American gross domestic product (GDP) growth has outpaced the Organisation for Economic Co-operation and Development (OECD) and peer countries like the United Kingdom, Germany, and France.[9] Unemployment has been lower in the United States between 1991 and 2024 than many peer countries.[10] And our economy is by many measures more nimble in its response to crises than most other developed economies.[11]

At the same time, American capitalism has produced (or coexisted alongside) rising economic and wealth inequality, the consolidation of wealth and power among a shrinking set of brokers, and democratic backsliding.

The result is, as economist Branko Milanović writes, "capitalism has a side of lightness and a side of darkness."[12]

Capitalism is not a static system inherited from on high. It is a web of social choices — policies, laws, norms, and narratives — that come together to operate as a coherent system. Societies can evolve these choices when needed to better serve their economy, their politics, and their moral imagination.

We are approaching a tipping point in this country. One in which our most fundamental systems of capitalism and democracy are under intense review. Whether we can preserve both will depend in large part on whether we redesign our economic frameworks so prosperity is broadly shared rather than increasingly concentrated. That begins with a simple but profound question:

WHO HAS A RIGHT TO SHARE IN AMERICAN PROSPERITY?

As I looked around at the policy ideas gaining the most traction and those with the most potential to tackle these challenges, I saw a strong emphasis on redistribution ideas — "tax and spend" ideas. I was inspired by many of them and impressed by the robustness of the policy solutions advanced in this frame: Medicare for all, tuition free higher education, universal childcare, universal pre-K, child tax credits, earned income tax credits, public grocery stores, increased SNAP benefits, increased housing subsidies, wealth taxes, billionaire and millionaire taxes, rent control, and higher tax rates on corporations, to name a few. I think these ideas all merit deep consideration, and I personally favor many of them.

But many of these ideas begin after profits have already been allocated. After investors and top earners claim their share of profits that businesses generate, many of these ideas seek to claw back some of those profits to redistribute them to invest in social services and the most vulnerable, thereby creating a fairer and more stable society.

> *Comparatively few people seemed to be asking a simpler and more fundamental question:* ***Who has a rightful claim to the prosperity Americans create together in the first place?***

Comparatively few people seemed to be asking a simpler and more fundamental question: Who has a rightful claim to the prosperity Americans create together in the first place?

Given that workers, investors, and the public all contribute vital sources of capital to businesses in the first place, why were investors the primary source granted a claim on profits? I began to wonder what it might look like if workers, investors, and the public all had similar claims on the profits their capital enabled.

WHO SHOULD HELP DETERMINE THAT ANSWER?

I simultaneously began to cast around to see who was wrestling with these questions. I was heartened to see two key groups. On the one hand I saw labor leaders, community organizing groups, and local elected officials collaborating to design and implement new ideas to help make our economy fairer for all. On the other hand, I saw academics, foundation leaders, researchers, and the occasional business leader working together to develop and debate key ideas. But at least throughout the city of Chicago and across the heartland of Illinois, I rarely saw these groups come together. To be more blunt, the chasm seemed wide.

And the curiosity to bridge that divide — particularly among the second set — seemed nascent at best. I spoke to a funder who managed a "reimagining capitalism" portfolio about bringing together local labor leaders and community groups to which they responded "place-based work isn't squarely on strategy for us." I saw funding flow to university centers and DC-based think tanks to wrestle with the current challenges of capitalism but barely trickle down to community groups trying to do the same. I attended a DC conference where a national foundation leader talked about the importance of bringing labor to the table while simultaneously ignoring labor leaders' requests to meet and collaborate. I heard stories of academics frustrated that their ideas and research were not making it into the hands of people designing and passing laws.

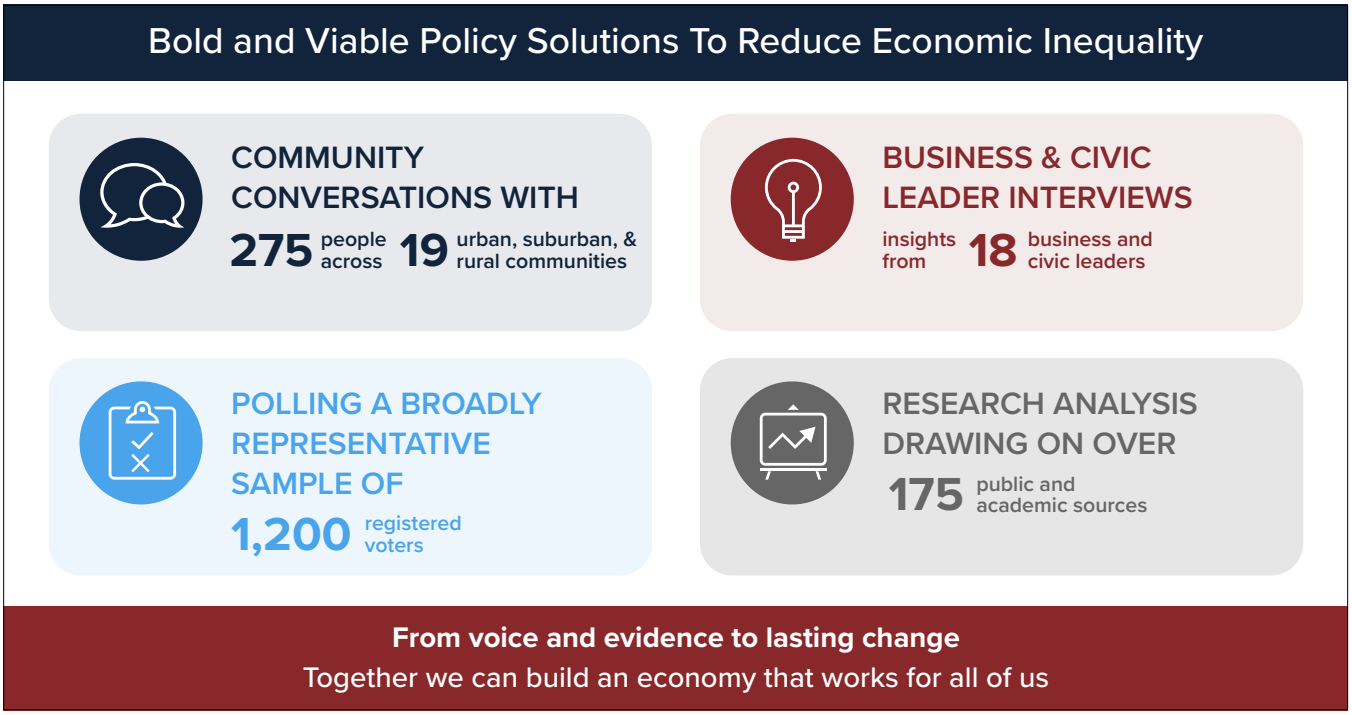
This gap — between community wisdom and traditional sources of expertise — sparked in me the idea to borrow from a framework of Indigenous Mi'kmaq leaders in the St. Lawrence River watershed: "*Etuaptmumk* (Two-Eyed Seeing)." In their model, blending Indigenous and Western sources of knowledge could result in more holistic and robust solutions. I similarly began to wonder about the power of blending the academic, foundation, and research expertise with the wisdom of community members and leaders experiencing the harms of rising inequality and unaffordability on the front lines.

BUILDING A MODEL FOR WRESTLING WITH THE BASIC NEEDS CRISIS AND INEQUALITY

To meaningfully engage in these questions, I sought out four key inputs: small group community conversations with hundreds of people in urban, suburban, and rural communities; deep interviews with business and civic leaders; assembling a wide swath of high-quality research; and a robust poll of 1,200 voters. And in doing so, I incubated the project at the Chicago Federation of Labor's Workforce and Community Initiative along with support from the leadership at both the Illinois AFL-CIO and the Chicago Federation of Labor with a belief that their experience converting workers' aspirations into public laws was a good foundation for launching this project.

> *The ultimate bet was that if I could pull together this broad set of insights and wisdom, I could identify the boldest policy solutions to reduce economic inequality that were also the most broadly viable.*

The ultimate bet was that if I could pull together this broad set of insights and wisdom, I could identify the boldest policy solutions to reduce economic inequality that were also the most broadly viable.



And I believed in the power of grounding this project first in one key state: Illinois. First, my read of policy change in contemporary America suggested that key innovations often boil up from the states before they achieve national or broad purchase. Environmental regulations, labor laws, LGBTQ+ civil rights, health care reforms, and reproductive rights all show illustrations of this.

Second, Illinois happened to be one of the states — if not *the* state — that was most demographically representative of the broader American electorate.[13] Launching the work in Illinois seemed a smart bet to ground the conversation in a place with the potential for significant downstream impact.

WHAT I LEARNED AND WHAT I'VE COME TO BELIEVE

From the fall of 2025 through the spring of 2026, I tackled this project. By June 2026, I began to pull together a strong set of insights.

- Americans are not muddling through an "affordability crisis." **We are suffering at the hands of a "Basic Needs Crisis."** Nearly half of voters share they are struggling to afford food, shelter, and/or their health care.[14]
- We are not experiencing run-of-the-mill capitalism. **We are living in historic economic inequality like we haven't seen in decades.** In many regards, today's wealth and income inequality looks much more like it did in the years leading up to the Great Depression than it did during the post-World War II economic boom.[15]
- Focusing on affordability is important, but not enough. **To protect our well-being, our economic growth, and our democracy, we have to tackle *both* the Basic Needs Crisis and rising inequality.** Many policy experts and political leaders are eager to help raise the floor so that more Americans can live with dignity. And this is important. But leaders' appetite to tackle the historic gains hoarded by top earners and the wealthiest Americans is much lower. Raising the floor for everyone is critical but insufficient if

we allow the ceiling to rise exponentially faster for the few. Unless we also focus on tying the wealth and incomes of Americans more closely together, we run the risk of producing a society where everyone has the basics, but the economic returns largely flow to a small elite class. A world of "Haves and Have Yachts"[16] (to borrow from Evan Osnos) threatens our public health, our economic growth, and our democracy.

> *Raising the floor for everyone is critical but insufficient if we allow the ceiling to rise exponentially faster for the few.*

- Too much of the current debate on economic reforms begins after profits have already been allocated. They are tax and spend ideas. These policies can unintentionally concede a fundamental assumption: investors are the only source of capital that should have a claim on profits, leaving policymakers left to argue about how to redistribute those profits through taxation. **We should question whether investors should be the only ones who deserve a claim on profits. Together, we should ask whether workers and the public — whose capital is also used to create value — deserve a similar claim on the profits they help build.**
- **Democratic Capitalism*** is an integrated moral, political, and economic framework whose power draws from multiple disciplines.
  - **As an economic framework**, it asks: *Who contributes to creating prosperity — and therefore has a legitimate economic claim on it?*
  - **As a moral framework**, it asks: *Who should have the opportunity to share in the prosperity we collectively create?*
  - **As a political framework**, it asks: *Who should have the power to determine the rules governing how that prosperity is shared?*
- **Democratic Capitalism** shares much of the critique of current capitalism that frameworks such as **Stakeholder Capitalism** and **Democratic Socialism** present, namely that our economy is distorted when the interests of investors are centered as the sole or primary focus of the economy and the businesses within it. These frameworks differ in their beliefs about the eventual role of capitalism and how much legal and economic power to give to workers and the public, but many of the short-term policy reforms advanced from each of these can find purchase in each other's frameworks.

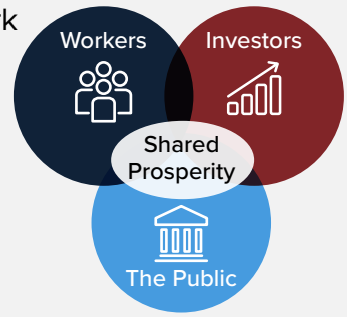
*I first came across the term "Democratic Capitalism" in David Leonhardt's book *Ours Was the Shining Future* (Random House, New York, 2024). pp. xxvii-xxviii. Leonhardt explores the term to help describe a balance between markets and the government in which the government uses taxes and regulations to rein in free market excess. In a system of democratic capitalism Leonhardt writes, "democratic governance prevents the excesses of free market capitalism, while the material gains produced by capitalism foster the faith in society on which democracy depends. Democracy strengthens capitalism and capitalism strengthens democracy."

Leonhardt's uses the phrase to largely describe the form of capitalism that prevailed in the United States in the mid-twentieth century when economic inequality was lower and labor unions and other civic institutions exercised greater power over economic and political life. I use the term "Democratic Capitalism" to capture the same ethos of capitalism balanced by democratic power and principles while extending the framework with a more explicit claim about who should benefit from the prosperity capitalism produces and why.

- **Democratic Capitalism is not merely a system for restructuring payouts.** There are many systems that attempt to do that. Democratic Capitalism is fundamentally about evolving the narrative of who has a rightful claim to the profits that are generated within capitalism. By evolving the narrative — and updating the laws, regulations, and policies that flow from that narrative — we can develop a more stable system for ensuring profits flow to its rightful claimants.
- To bring about Democratic Capitalism we need to **evolve the public's narrative** about who deserves to share in American prosperity. We also need to **strengthen union power** so workers have the tools to claim a share in the profits they help build. But we can also adopt three waves of policy ideas — **tying top and bottom wages at a business, ensuring workers receive a greater share of the profits they help generate, and distributing returns to members of the public whose goods are used to create profits** — to begin putting the idea of Democratic Capitalism into action.

Democratic Capitalism is a moral, political, and economic framework built on a simple idea: **workers**, **investors**, and **the public** all help create our shared prosperity — and all deserve to share in it.

By reconnecting economic growth to the people who make it possible, Democratic Capitalism offers a bold and practical path toward a healthier society, a stronger economy, and a more resilient democracy.



WHAT THIS REPORT IS AND WHAT THIS REPORT IS NOT

This report is an attempt to introduce the learnings from this project into the broader idea ecosystem. I have broken it down into five key parts:

- **Section 2** – A review of the research reminding readers that we are living in a time that might best be called A New Gilded Age
- **Section 3** – An analysis showing that rising inequality — not just increasing economic precarity — threatens our economy, our health, and our democracy
- **Section 4** – An illustration of how voters in urban, rural, and suburban communities and across the partisanship divide are experiencing and making sense of our current economic crisis
- **Section 5** – The introduction of Democratic Capitalism as an integrated moral, political, and economic frame that can pave a path forward out of our New Gilded Age into an era of shared prosperity
- **Section 6** – The sharing of initial policy ideas that could operationalize Democratic Capitalism and have generated early-stage enthusiasm among voters

By sharing the data I have assembled, the insights I have gleaned, and an emerging frame that I think can powerfully pave the way forward, I hope this report is the beginning of a conversation across a diverse set of constituencies. This report is meant to start a conversation. It is not meant to be the final word on Democratic Capitalism or the policy ideas uplifted in these pages.

> *This report is meant to start a conversation. It is not meant to be the final word on Democratic Capitalism or the policy ideas uplifted in these pages.*

The power of this report lies in its integration. It weaves together community stories, statewide polling, academic research, and the wisdom of civic and business leaders. It also brings economic, moral, and political perspectives into the same conversation. It does so intentionally because no single field is sufficient to answer the questions this project asks. The central contribution of this report is not intended to be any single dataset, policy proposal, or theoretical insight. It is the integration of four different perspectives — community experience, public opinion, academic research, and leadership perspectives — into a shared framework for deepening our understanding of prosperity, how it is created, and who it belongs to.

I INVITE VARIOUS GROUPS TO USE THIS REPORT AND FURTHER ITS IDEAS

This report does not seek to replace the expertise of economists, organizers, business leaders, policymakers, or philanthropists. Instead, it seeks to create a shared framework through which each of those communities can see their own work differently — and perhaps discover new opportunities for collaboration. Specialists will naturally read this report through the lens of their own expertise. Economists may see opportunities for stronger empirical analysis. Policy experts may identify implementation challenges. Organizers may recognize opportunities for deeper community engagement. Business leaders may identify implications for markets and corporate governance. I hope each group brings its own expertise to strengthen, challenge, and build upon what begins here.

In exchange, I hope this report is useful to leaders in a variety of settings.

I hope **researchers and academics** further the analysis, refine the frame of Democratic Capitalism, and dive deep into the emerging research questions posed by the initial policy ideas.

I hope **philanthropists** use the findings in this report to invest more deeply in economic equality efforts in their communities and make early-stage investments in community groups attempting bold and innovative solutions in this space.

I hope **members of the media** use the data in this report to provide more context to their readers, listeners, and viewers when reporting on economic policy debates.

I hope **policy experts and public leaders** use the ideas in this report to convene constituents, community leaders, and labor leaders to explore which ideas may merit further consideration in their communities.

IMAGINE A WORLD...

As you begin diving into the report, I hope you keep in mind a world — 25 or 50 years in the future — where America has the strongest democracy, the most robust economy, and the healthiest society in the world.

Parents can work one job and afford to take care of their children with dignity.

Workers and CEOs live in the same or adjacent neighborhoods and share in the collective care for those communities.

Entrepreneurs are rewarded for their innovations, hard work, and risk — but so are the workers and public who help turn the entrepreneur's ideas into reality.

Citizens vote in droves because they believe their voice matters in building a government that is responsive to the collective good.

In short, it is a country where all contributors to our economy — investors, workers, and the public — recognize one another as partners in creating America's shared prosperity.

Through the collaboration of countless community members and leaders throughout this country, I hope we can build toward that world together.

2 Frogs Boiling in a Pot



KEY TAKEAWAY:

America has quietly entered a New Gilded Age.

INTRODUCTION

For much of the latter half of the twentieth century, the United States suggested broad-based prosperity and strong economic growth could coexist. But beginning around 1980, something fundamental changed. Income and wealth became increasingly concentrated among a small share of Americans, producing levels of inequality not seen since the Gilded Age and the years leading up to the Great Depression. The change happened gradually — slowly enough that many Americans scarcely noticed it — but its effects now shape nearly every aspect of our economic lives.

This section documents that transformation. It shows how CEOs, top earners, and the wealthiest households have captured an unprecedented share of America's income and wealth while economic gains for most families have lagged behind. It also demonstrates that this concentration of wealth is neither an inevitable feature of capitalism nor a prerequisite for economic growth. During the decades when inequality was substantially lower, the United States experienced faster economic growth than it has during the era of rising inequality.

The evidence also shows that today's American economy is increasingly an international outlier. Among the world's largest economies, the United States now ranks near the top in both income and wealth concentration, resembling some of the world's most unequal societies more than many of its democratic peers. Meanwhile, longstanding racial, gender, disability, immigration, and LGBTQ+ inequities have been compounded by these broader economic trends.

Before we can solve America's Basic Needs Crisis, we must first recognize that we are living through a historic concentration of income and wealth. Like the proverbial frog in slowly warming water, the nation has adapted to changes that would have seemed unimaginable just a generation or two ago. Understanding that we have arrived at this new Gilded Age is the first step toward building an economy that once again rewards work, expands opportunity, and shares prosperity more broadly.

WE FACE ECONOMIC INEQUALITY WE HAVEN'T SEEN IN DECADES, IF NOT A CENTURY

This is just American capitalism, they tell us.

An economy with unrivaled innovation, growth, and nimbleness, we are the envy of our peers. With the highest standards of living in human history, the near abolition of the crushing weight of absolute poverty, and advanced technologies that would make our great-grandparents gape in awe, we have the greatest economy that ever existed. At worst, inequality is just a byproduct of this engine of growth. So long as we ensure no one starves and that everyone who wants a home has one, let the victors claim the spoils. At best, inequality is the necessary incentive structure to drive the risk-taking and hard work needed to advance at this speed.

Growth is king, they tell us.

"We believe growth is progress," Marc Andreessen tells us in his *Techno-Optimist Manifesto*.[17] "Productivity growth…is the main driver of economic growth, wage growth, and the creation of new industries and new jobs… We believe everything good is downstream of growth." Any claims that this growth and the technology which fuels it "reduces our wages, increases inequality, threatens our health, ruins the environment, degrades our society, corrupts our children, impairs our humanity, [and] threatens our future" are simply "lies."

Bedazzled by iPhones and ChatGPT and Netflix, we are slowly boiling alive and we didn't even notice the heat being turned up.

Bedazzled by iPhones and ChatGPT and Netflix, we are slowly boiling alive and we didn't even notice the heat being turned up.

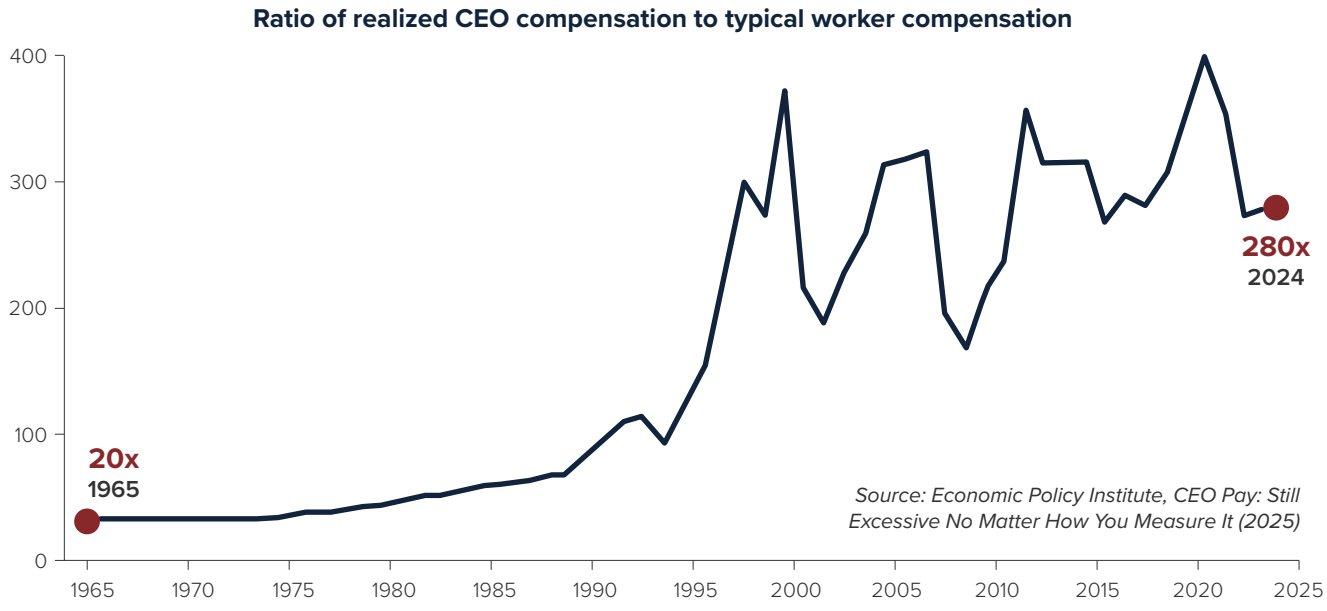
The years from the 1940s through the late 1970s represent a period of narrowing wage gaps that economists Claudia Goldin and Robert Margo call the "Great Compression."[18] Beginning around 1980, however, the income of America's top earners and the wealth of the richest Americans began to pull apart from the rest of us. Year after year, the Top 10% and the Top 1% began claiming more income and hoarding more wealth. Today we look around from the boiling water to realize we have entered a new Gilded Age. Distracted by its slow emergence at a time when the end of the Cold War restructured our global order and the rise of the techno-internet world captured our attention, most of us have thought that we are simply living through run-of-the-mill inequality that our parents and our grandparents also experienced.

But we are not.

THE RISE OF INCOME INEQUALITY

Perhaps the clearest snapshot of this phenomenon is CEO pay.

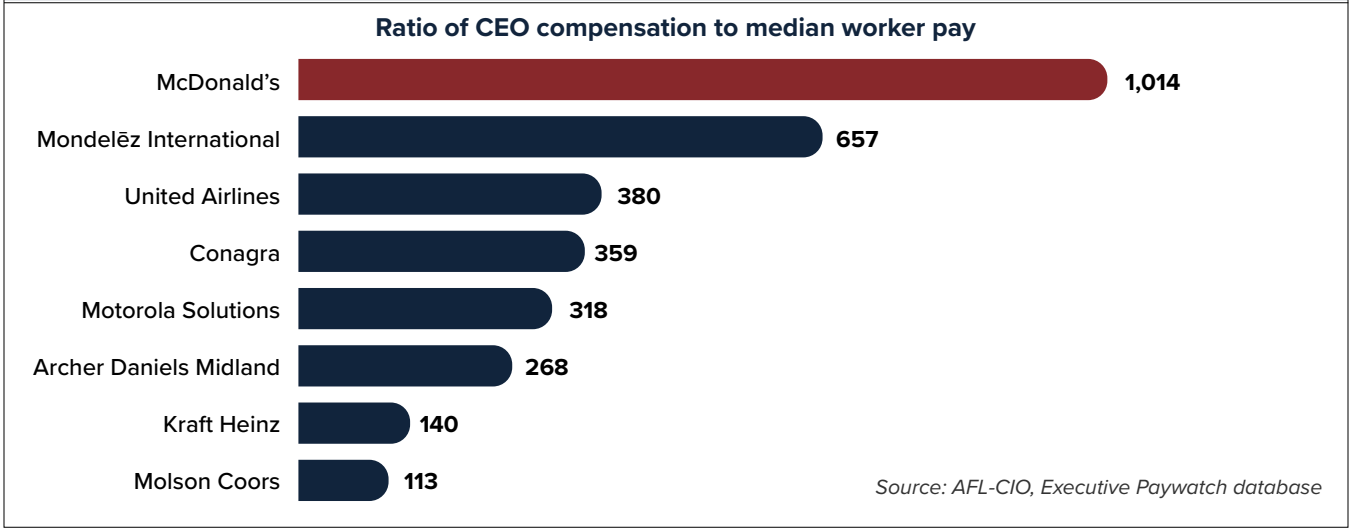
CEO pay has pulled dramatically away from worker pay



Between 1965 and 1977, CEOs were paid on average between 20 and 30 times the typical worker. Between 2015 and 2024, CEOs have been paid on average between 269 and over 400 times the typical worker.[19]

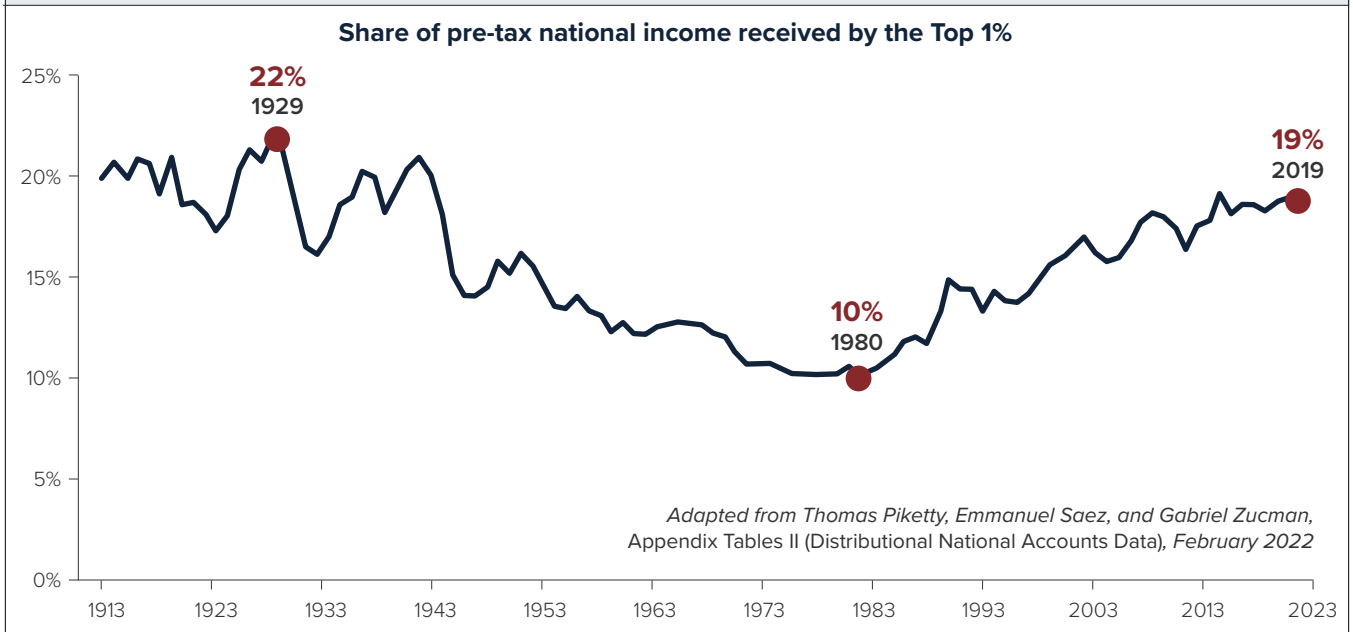
For those of us living in Illinois, the data can be even starker. Twenty-nine of the companies in the S&P 500 are headquartered here.[20] In data reported directly from these companies to the SEC, we see multiples of CEO compensation that far outpace the averages from the 1960s and 1970s. When McDonald's reports that its CEO makes more than 1,000 times more than their median employee, we see a distortion of CEO pay we haven't seen in decades.[21]

At major Illinois companies, CEO pay towers over median worker pay



But it's not just CEOs. Economists Thomas Piketty, Emmanuel Saez, and Gabriel Zucman have assembled and analyzed a trove of income data spanning more than a century, beginning in 1913 (when the modern federal income tax began and the U.S. government simultaneously began publishing granular data on income) through 2019.[22] They found that the Top 1% of American earners — regardless of title — have begun to take home a historic amount of the national income.

The Top 1% now receive a share of national income closer to the Roaring Twenties than to the postwar boom



In 1929, on the eve of the Great Depression, the Top 1% of earners took home 22% of the national income.[23] That means for every $100 paid out to Americans that year, $22 was going to the Top 1% of earners. Beginning in the postwar economic boom of the 1950s, that dipped to below 15% for nearly every year, hitting a low of 10% in 1980. By 2006, the Top 1% was once again taking home 19% of the national income *for the first time in 63 years*.* A separate analysis by the Congressional Budget Office corroborates this data, finding that the Top 1%'s share of national income after transfers and taxes went up by 7 percentage points between 1979 and 2022.[24]

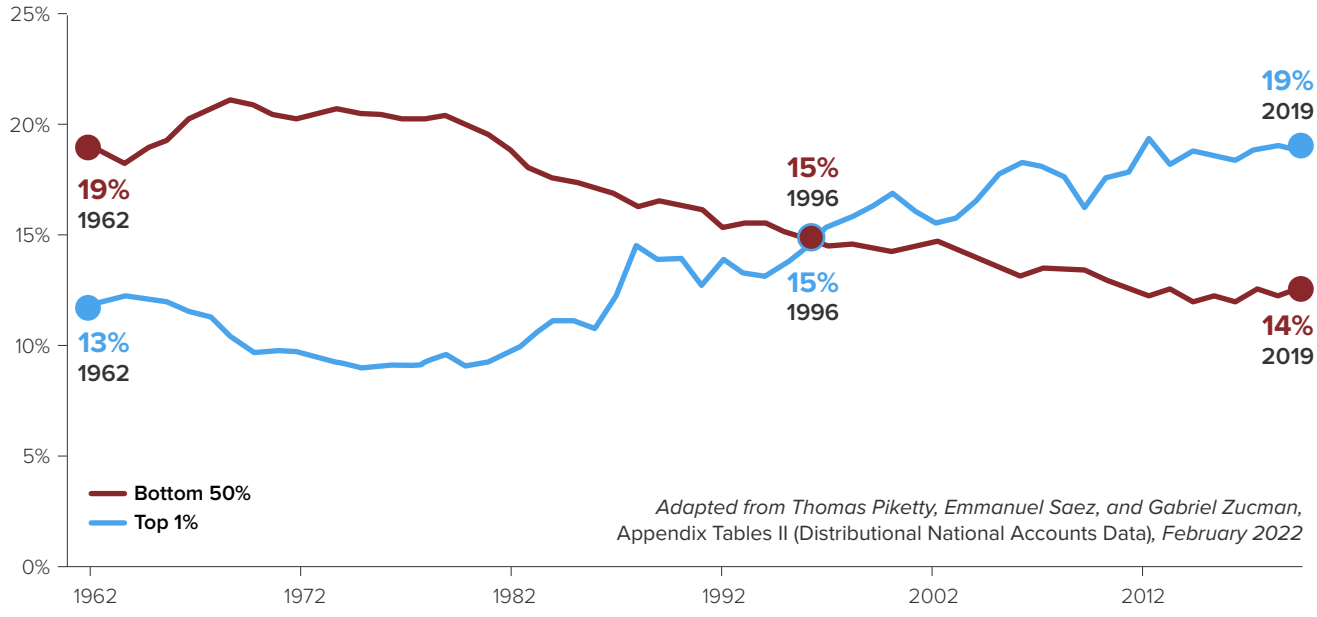
When you compare the earnings share taken home by the Top 1% to the middle- and lower-income classes, a striking pattern emerges. From the late 1960s to the early 1980s, the Bottom 50% was taking home nearly double what the Top 1% was taking home.[25] Then beginning around 1982, the patterns began

* A challenge to this data, primarily led by Gerald Auten & David Splinter, claims that when you factor in rates of tax evasion, government debt, and public benefits, the inequality narrows significantly. A comprehensive summary of the debate can be found at Roge Karma's article "A Baffling Academic Feud Over Income Inequality" in *The Atlantic* on February 27, 2024 (https://www.theatlantic.com/ideas/archive/2024/02/one-percent-income-inequality-academic-feud/677564/). Auten & Splinter attribute greater tax evasion to lower-income earners, assign the benefits of public benefits primarily to lower-income earners, and attribute the burden of the national deficit to higher-income earners. Or as Austin Clemens, a senior fellow at the Washington Center for Equitable Growth claims, 20 percent of income for lower-income earners in the Auten/Splinter dataset "comes in the form of tanks, roads, and chalkboards." (Karma) The net result of these choices is to narrow the inequality gap. I believe the numbers from Piketty, Saez, and Zucman — which assume greater tax evasion among higher earners and assigns public benefits and deficits more neutrally — are a better depiction of the inequality Americans experience.

to converge and by 1997, the Top 1% was taking home more than the bottom half of all American workers. By 2019, we have almost a mirror image of the picture from 1962 but with the Top 1% now taking home far more than the Bottom 50%.

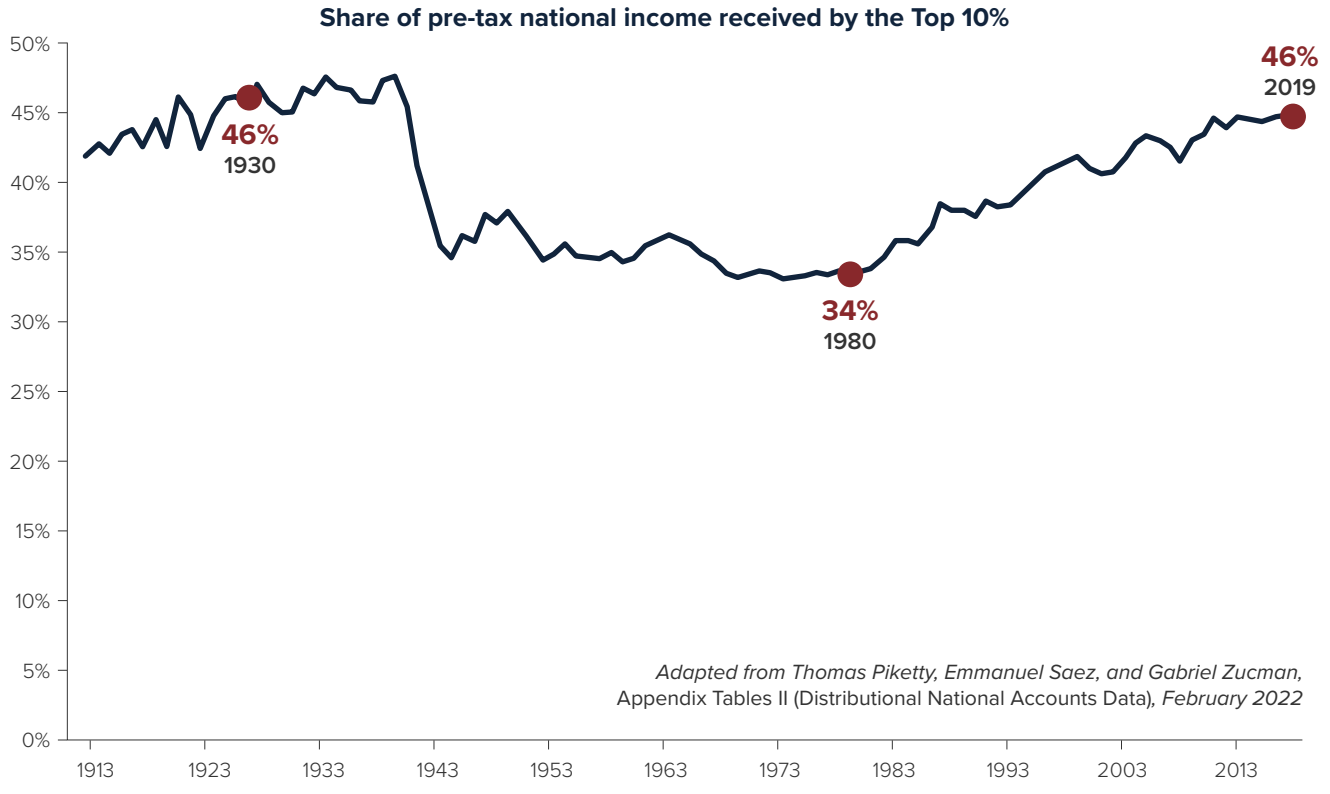
America's income distribution has flipped

The Bottom 50% once earned more than the Top 1%. Today they earn less.



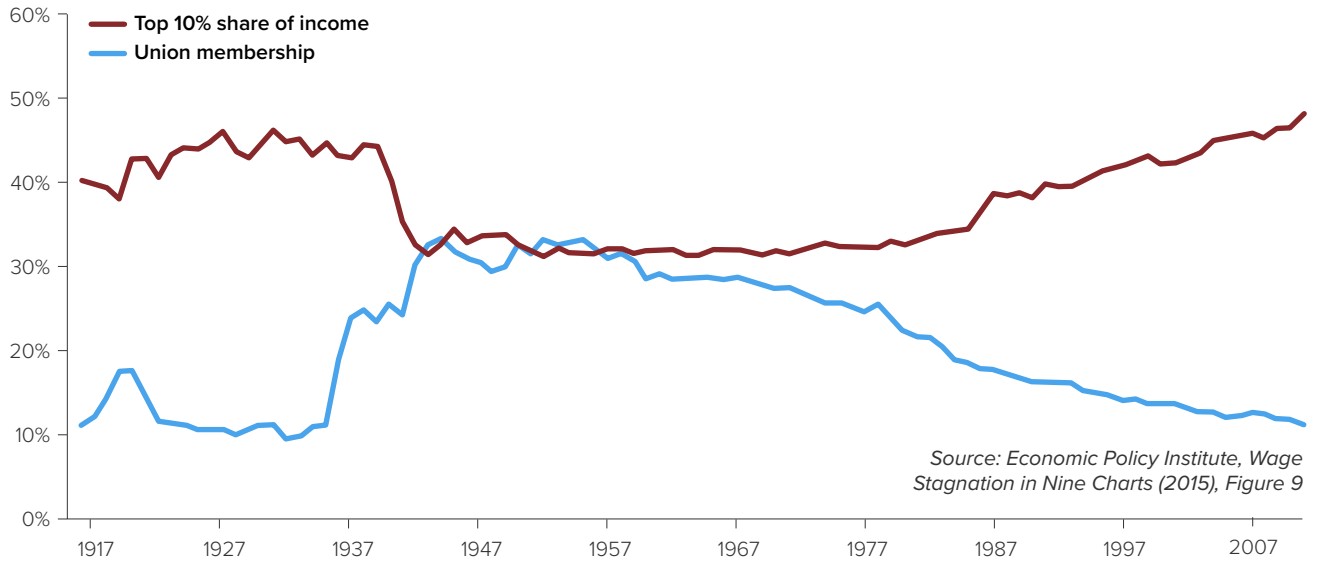
We see a similar pattern when we expand beyond the elite Top 1% to include the upper class of the Top 10%. For more than 50 years, between 1943 and 1995, there wasn't a single year when the Top 10% took home more than 40% of the national income. But in every year since 1996 (through 2019), the Top 10% took home more than 40% of the national income.[26] In other words, the current income distribution for the Top 10% looks more like the Roaring 20s than the decades of economic boom following World War II.

The Top 10% now receive a share of national income closer to the Roaring Twenties than to the postwar boom



While there are many causes of the rise of income inequality over the past few decades, it is worth pointing out that the decline of unionization has run parallel to rising income inequality.[27]

As union membership has fallen, the share of income going to the top 10% has risen



Worker power — both in the workplace and in a democratic society — appears to be a strong driver of more equitable income distribution.

Despite Marc Andreessen's claim that growth is progress, we see that median annual GDP growth in the postwar period from 1948–1979 was 8% — a time when the Top 1% and Top 10% took home less of the national income and unionization rates were higher. Between 1980 and 2013, when we saw the Top 1% and Top 10% take home Roaring Twenties-level shares of income, American GDP grew much more slowly.[28]

Economic growth slowed as the wealthiest captured more income after 1980
Median values for each year during the periods shown

Metric	1948–1979	1980–2019
Median GDP Growth	8%	5%
Median Income Share Received by the Top 1%	13%	16%
Median Income Share Received by the Top 10%	35%	42%

KEY TAKEAWAY: After 1980, economic growth was slower on average, while the share of national income going to the wealthiest Americans increased substantially.

Sources:
1 *FRED Graph Observations, Federal Reserve Economic Data, Federal Reserve Bank of St. Louis.* ***https://fred.stlouisfed.org****.*
2 *Piketty, Thomas, Emmanuel Saez, and Gabriel Zucman.* Appendix Tables II (Distributional National Accounts Data)*. Excel Dataset.* February 2022. ***https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx****.*

This data does not prove on its own that more equality generates more growth, but it does strongly suggest that greater equality is not incompatible with greater economic growth.

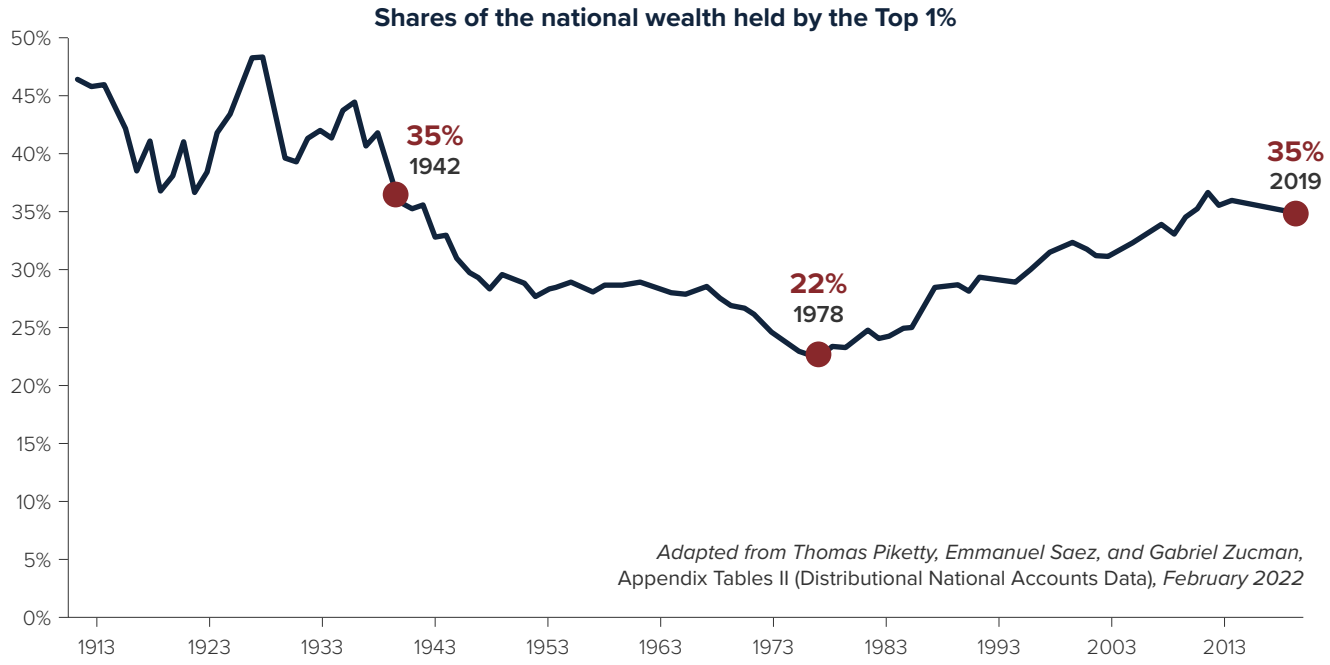
While the Americans I spoke with couldn't cite these exact data, they often felt they were running *Alice in Wonderland*'s Red Queen's race — running as fast as they could to earn more income only to fall farther and farther behind. A government lawyer living in central Illinois shared that when he was a kid, his "dad drank beers in the garage after work each day. One day, he got a raise, so he switched from Natty Light to Budweiser." That raise was something his dad could feel and celebrate. But he added, "when I got a noticeable raise a few years ago — I hit my salary goal, the one I thought I'd finally be OK when I hit. But I'm not yet financially OK." Citing his home costs, his wife's health care needs, and the costs of supporting his young kids, he knew that his costs were rising faster than his income dreams. There could be no commensurate celebration for him with his new income level.

THE RISE OF WEALTH INEQUALITY

But income isn't the only story. Because when income gaps perpetuate year over year, and compound interest means wealth grows faster than wages grow, yesterday's wealthy are becoming tomorrow's even wealthier all while middle-class and lower-class Americans are falling further and further behind.

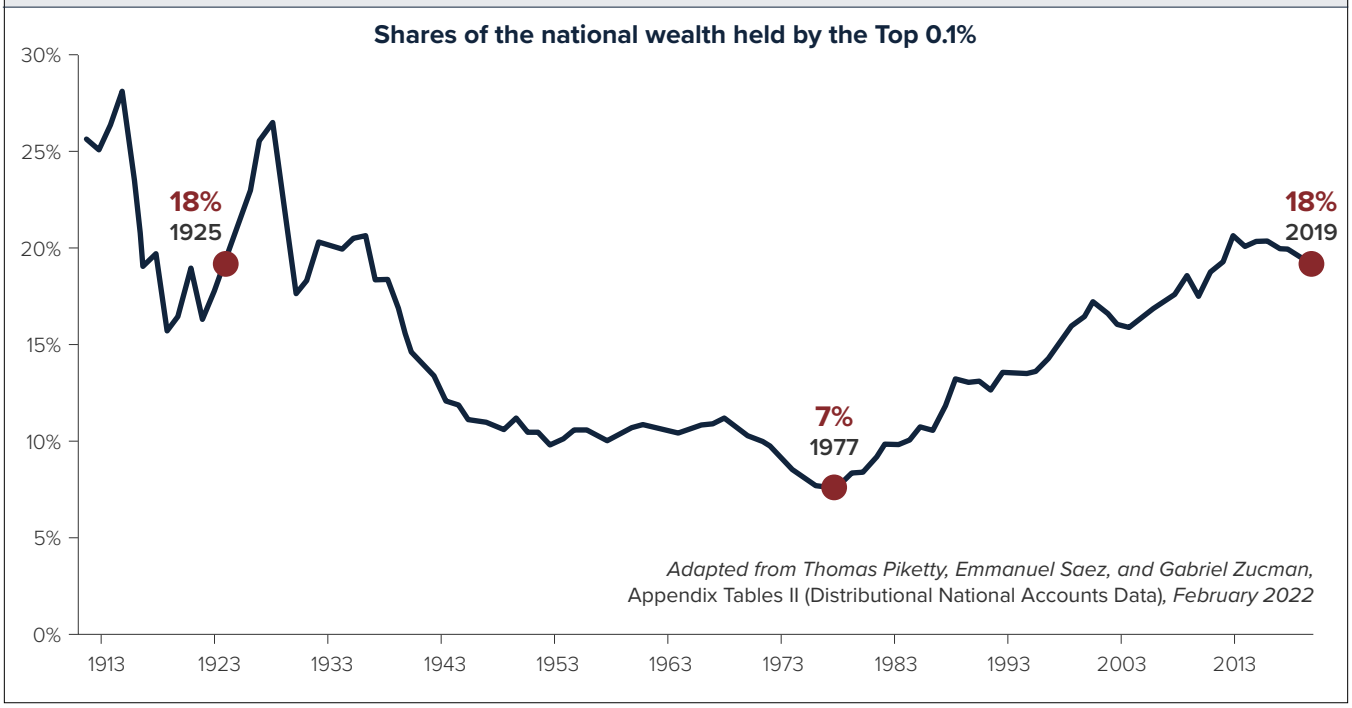
In 1947, the share of the national wealth held by the Top 1% fell below 30% for the first time since at least 1913. It remained below this threshold until 1997. Every year since, the Top 1% has held more than 30% of the national wealth.[29]

The Top 1% now hold more of America's wealth than at nearly any time since World War II



Perhaps even more alarming is the rise of the ultra-rich. The Top 0.1% — people with a net worth of an average of $64 million in today's dollars[30] — own roughly as much of the national wealth today as they did through much of the Roaring Twenties. In fact, in 2012, the Top 0.1%'s share of the national wealth crossed 19% for the first time since 1937.[31]

The return of the Robber Barons



Diving in more deeply, in 2025 the eight wealthiest Americans — Elon Musk, Larry Ellison, Mark Zuckerberg, Jeff Bezos, Larry Page, Sergey Brin, Steve Ballmer, and Jensen Huang — collectively owned more than the bottom half of all American adults (125 million Americans).[32]

People are feeling this rising wealth inequality at a visceral level. A resident of the St. Louis suburbs shared his belief that our economy has been supercharged by an ethos of greed. "Greed has a big impact," he shared with me. "The 'haves' just want more, leaving everyone else struggling to afford the basics like a home or insurance."

> *At the height of the Gilded Age, the richest handful of Americans had a net worth equivalent to about **3 percent** of the country's annual economic output...*
>
> *Today, the fortunes of the same **0.00001 percent** — about 20 individuals — make up roughly **four times** as large a share, equivalent to **12 percent** of annual output.*
>
> — BEN CASSELMAN
> "Wages are Falling. Wealth is Surging. No Wonder Americans Are Unhappy," *New York Times*, June 13, 2026.

INEQUALITY'S DISPROPORTIONATE IMPACT

Before we move on, it is worth stopping to note that income and wealth inequality impacts historically marginalized communities more severely. The list is long.

- The median White household had a net worth of $284,310 in 2022 compared to $62,120 for **Hispanic/Latino** households and $44,100 for **Black** households.[33]
- "In 2024, **women** earned an average of 85% of what men earned."[34]
- "**LGBTQI+** households made just 85 cents for every dollar earned by non-LGBTQI+ households."[35]
- "First-generation **immigrants** with legal status in the U.S. earn 10.6% less than comparable native-born workers."[36]
- "[P]eople with a **disability** earn a median wage of 66 cents for every $1 made by people without a disability."[37]

Income and wealth inequality don't rise in a vacuum. They reinforce inequities that exist along other dimensions.

A GLOBAL VIEW

When you look globally, especially across the largest economies in the world, the concentration of income and wealth in the United States becomes even more stark. A group of 200 researchers across the globe have collaborated over the years to produce the *World Inequality Report*, the latest edition of which was released in January 2026. In looking at ten of the largest economies in the world by GDP,[38] the U.S. ranks near the top when it comes to the amount of pre-tax national income taken home by the top 1%.

The U.S. has the third-highest top 1% income share among major economies
Pre-tax national income held by the Top 1% of income earners (2024)

Country	Pre-tax national income held by the Top 1% (2024)
Brazil	27%
India	23%
United States	**21%**
China	16%
Germany	13%
United Kingdom	13%
Japan	13%
Canada	12%
France	12%
Italy	9%

*Source: Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez. World Inequality Database (**WID.world**). World Inequality Lab. Accessed June 30, 2026. (**https://wid.world/data/**.)*

In fact, the United States looks much more like Brazil and India than peer countries in Europe on this dimension.[39] Looking at it another way, in rankings of the share of pre-tax national income taken home by the Top 1%, the United States's 21% share puts it in a class alongside Congo, Zimbabwe, Uganda, and Uruguay, not peers among the largest economies in the world.[40]

It hasn't always been this way. In fact, the 2024 data looks very different than it did in 1980. In 1980, the share of pre-tax income taken home by the Top 1% in the United States looked much more like the share taken home in Japan, Germany, Canada, and France.[41] But since 1980, only India has seen a bigger increase in the share of pre-tax income taken home by the Top 1% among today's largest economies.

The U.S. has had a faster rate of income concentration among the Top 1% than nearly any other country

Pre-tax national income held by the Top 1% of income earners

Country	Top 1% Income Share 1980	Top 1% Income Share 2024	Growth in share of national income held by the Top 1% (1980–2024)
India	8%	23%	16%
United States	**10%**	**21%**	**10%**
China	7%	16%	9%
United Kingdom	7%	13%	6%
Canada	8%	12%	4%
France	8%	12%	4%
Italy	5%	9%	4%
Germany	10%	13%	3%
Japan	11%	13%	2%
Brazil	27%	27%	–1%

*Source: Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez. World Inequality Database (**WID.world**). World Inequality Lab. Accessed June 30, 2026. (**https://wid.world/data/**.)*

Not surprisingly, the data for wealth inequality shows a similar story. Again, in looking at the ten largest economies in the world, the United States ranks near the top when looking at what percentage of their national wealth is held by the Top 1%, surpassed only by India and China.[42]

The U.S. has the third-highest Top 1% wealth share among major economies **Share of total household wealth held by the Top 1% of wealth holders (2024)**	
Country	**Top 1% Wealth Share (2024)**
India	40%
Brazil	39%
United States	**35%**
China	30%
Canada	29%
Germany	28%
France	28%
Japan	25%
Italy	22%
United Kingdom	21%

*Source: Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez. World Inequality Database (**WID.world**). World Inequality Lab. Accessed June 30, 2026. (**https://wid.world/data/**.)*

In reviewing the concentration of wealth among the Top 1%, only India and China have seen a greater increase in the share of wealth held by their wealthiest residents than the United States.[43]

The U.S. has had a faster rate of concentration of national wealth in the hands of the Top 1% than nearly any other large economy **Share of total household wealth held by the Top 1% of wealth holders**			
Country	**Top 1% Wealth Share 1980**	**Top 1% Wealth Share 2024**	**Growth in share of national wealth held by the Top 1% (1980–2024)**
India	13%	40%	28%
China	16%	30%	15%
United States	**23%**	**35%**	**12%**
Italy	16%	22%	6%
Canada	24%	29%	5%
Japan	23%	25%	2%
Germany	27%	28%	1%
Brazil	39%	39%	1%
France	27%	28%	1%
United Kingdom	21%	21%	0%

*Source: Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez. World Inequality Database (**WID.world**). World Inequality Lab. Accessed June 30, 2026. (**https://wid.world/data/**.)*

A Venezuelan immigrant living in the Chicago suburbs compared what she was witnessing in America today with what she saw happening in her home country twenty years ago. "Only the people who currently benefit will benefit," she shared with me. "It reminds me of growing up in Venezuela when Chavez came to power. The only people who benefitted were the *El Enchufado* (the plugged-in). The 1% of the 1% became fabulously wealthy. That is how it is here now."



KEY POINTS

- **America has quietly entered a new Gilded Age.** Over the past four decades, income and wealth have become increasingly concentrated at the very top, reversing much of the broad-based prosperity that characterized the decades following World War II.
- **The gains from economic growth have flowed disproportionately to those at the top.** CEO compensation has risen from roughly 20–30 times that of the typical worker in the 1960s and 1970s to roughly 200–300 times today, while the top 1 percent and top 10 percent now capture shares of national income not seen since the years leading up to the Great Depression.
- **Wealth has become even more concentrated than income.** The top 1 percent owns a larger share of America's wealth than at any point in more than seventy years, while just eight Americans now hold more wealth than the bottom half of all American adults combined.
- **The burdens of inequality are not shared equally.** Historic and ongoing discrimination means that people of color, women, LGBTQ+ people, immigrants, and people with disabilities are disproportionately less likely to share in the nation's growing wealth and opportunity.
- **The United States is an outlier among its peers.** Compared with most other advanced economies, America has substantially higher levels of income and wealth inequality, demonstrating that today's extreme concentration is the result of policy choices — not an inevitable feature of modern capitalism.

THE QUESTION THIS INVITES US TO ASK

The levels of income and wealth inequality we are living through are not inherent features of American capitalism. This past century alone, we have lived through periods where our collective prosperity was much more equitably shared than it is today. This leaves us with an important question: **Are today's extraordinary levels of inequality simply the unavoidable byproduct of a dynamic, innovative economy — or do they carry consequences that ultimately weaken our country?**



Let Them Eat iPhones

KEY TAKEAWAY:

Rising economic inequality doesn't just leave families behind — it weakens our economy, undermines our health, and erodes the foundations of our democracy,

INTRODUCTION

For years, many policymakers have treated affordability and inequality as if they were interchangeable. They are not.

While rising costs are creating a genuine Basic Needs Crisis for millions of Americans, affordability alone is only half the story. Even if we succeeded in lowering the price of housing, health care, or groceries, we would still face a deeper challenge: an economy in which an ever-growing share of income and wealth flows to the very top. That concentration of economic power carries consequences of its own. Research increasingly shows that inequality slows economic growth, weakens public health and social cohesion, and erodes democratic institutions. Addressing affordability without addressing inequality is like mopping up water on the floor while ignoring the burst pipe that keeps flooding the room.

If we want a stronger economy, healthier communities, and a more resilient democracy, we must tackle both the Basic Needs Crisis and rising inequality.

TACKLING AFFORDABILITY ISN'T ENOUGH

In the winter of 2018, I attended a dinner hosted by a local nonprofit in Chicago. I was seated next to a professor from Kellogg School of Management at Northwestern. After exchanging pleasantries, I shared with the professor that I was writing a book on economic inequality in America and asked for his thoughts on some of the key questions emerging from my research. He scoffed at the question. Inequality was the wrong lens to evaluate the current economy, he shared. *We live in a time with the greatest health care, the most advanced technology, and the lowest amount of crushing poverty in history. Whether or not there was a gap between the very wealthy and everyone else didn't matter so long as the floor we provided everyone was as high as it was in the early 21st century.*

A concern over inequality, he seemed to suggest, was at best a distraction from a more accurate assessment of *how people were thriving in modern America*.

Marie Antoinette, in response to stories that the poor of 18th century France were starving, may have remarked "let them eat cake." In 21st century America, the defenders of American capitalism respond to concerns about rising inequality by pointing out how the low and middle class should be thankful for what they do have.

"Let them eat iPhones," indeed.

I am grateful to this professor. His disdain for the concerns raised by inequality forced me to dive into the research around inequality's impact on contemporary wealthy societies. What I discovered helped solidify my understanding that inequality poses a unique set of threats to advanced democratic economies. In other words, ensuring that most people "have enough" is insufficient on its own to create a healthy society, a growing economy, and a secure democracy.

Since that fateful conversation in 2018, I have met many thinkers and public leaders who are eager to address the rising "affordability crisis" they see emerging across the country. Particularly among the center and center-left, there is a desire to believe that if we can address affordability, then we can continue to allow the wealthy to capture massive gains. British historian David Kynaston is said to have quipped, "Everyone is happy talking about eliminating poverty, because this looks like an admirable and ethical response to the problem of inequality, while leaving the structures of power untouched."[44] In other words, the hope of too many leaders is that if we tackle affordability, we can ignore inequality.

This policy view is enticing for two reasons. First, it doesn't challenge the narrative many hold so dearly that we need inequality to spur growth and innovation. *People need unlimited upside incentive to work hard and engage in strategic risk-taking*, we are told. *There are big swings that entrepreneurs and capitalists will take*, they add, *if the potential payout is $100 million or more that they won't take if the payout is only $25 million for example*.

The data in **Section 2** showing how GDP growth is not incompatible with greater equality and research below showing the economic harms of inequality should cause us all to question the veracity of this narrative.

Second, and perhaps even more critically, ignoring inequality and focusing only on affordability doesn't threaten the donor class so critical to funding campaigns. In the 2023–2024 federal campaign cycle, business interests outspent labor interests by more than 23:1.[45] In looking at contributions from high-net-worth individuals, the contrast is even more stark: "7.5% of dollars spent in the 2024 [election] cycle were donated by the 100 wealthiest Americans" and 80% of their campaign contributions in federal races went to Republicans.[46] In the 2024 federal cycle alone, Republican total spending topped Democrat total spending by almost $1 billion.[47]

Reaching voters is an expensive endeavor. Left-leaning candidates and the institutions which support them are aware of the massive financial disadvantage they begin with to afford campaigns to persuade and turn out voters. By eschewing the topic of inequality — by avoiding messages that would curtail the massive returns collected by corporations and wealthy individuals — center-left candidates can more likely access the coffers of these sources of funds. Or perhaps even more importantly, these candidates are less likely to pique the ire of these deep-pocketed entities and therefore less likely to experience the brunt of their well-funded attacks.

So affordability becomes a safer policy focus; inequality not so much.

But as the data shows, inequality is a related but distinct threat from affordability. Ignoring inequality, even for the noble aim of focusing on affordability, will only inhibit economic growth, poison our well-being, and undermine our democracy.

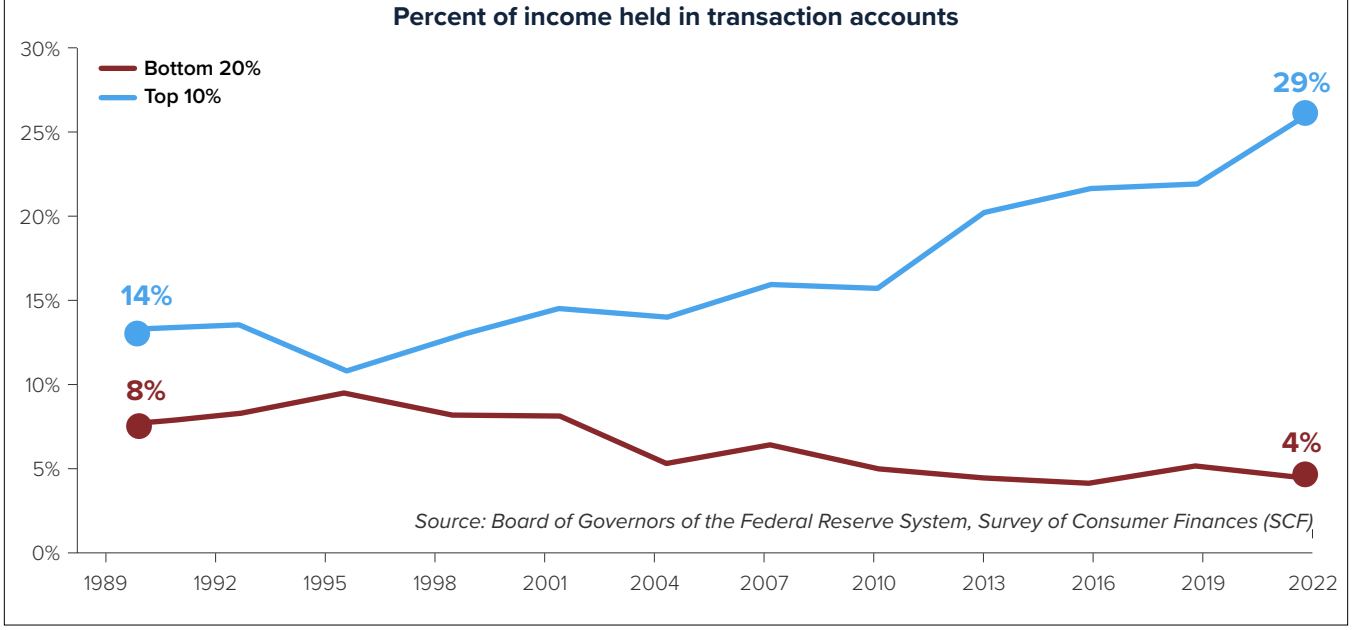
THE GREAT SQUEEZE: IT IS ABOUT AFFORDABILITY…

According to the Federal Reserve's Survey of Household and Economics Decisionmaking, 37% of American adults in 2025 could not "cover a $400 emergency expense using cash or its equivalent."[48] This has improved over the past decade, due in no small part to the fact that inflation has meant that $400 was a higher real expense in 2013 (when the Federal Reserve first began to collect this data) than in 2025. But the fact that 100 million Americans can't afford a $400 expense points to an affordability crisis broadly felt.

When you look under the hood, you see the crisis is felt deeply by the lowest income earners. Earners in the 0–40% income group have seen their cash-on-hand as a percentage of before-tax income dip over the past 30 years. In 1989 for example, the lowest quintile of earners had balances in their "transaction-accounts" (e.g. money market accounts, checking accounts, savings accounts) equivalent to 8% of their incomes. By 2022, that had dipped to 4%.[49]

For the higher earning groups, the trend moved in the other direction. Whereas the Top 10% of earners had transaction-account balances equal to 14% of their before-tax income in 1989, by 2022 that had more than doubled to transaction accounts holding an amount equal to 29% of their before-tax income.[50]

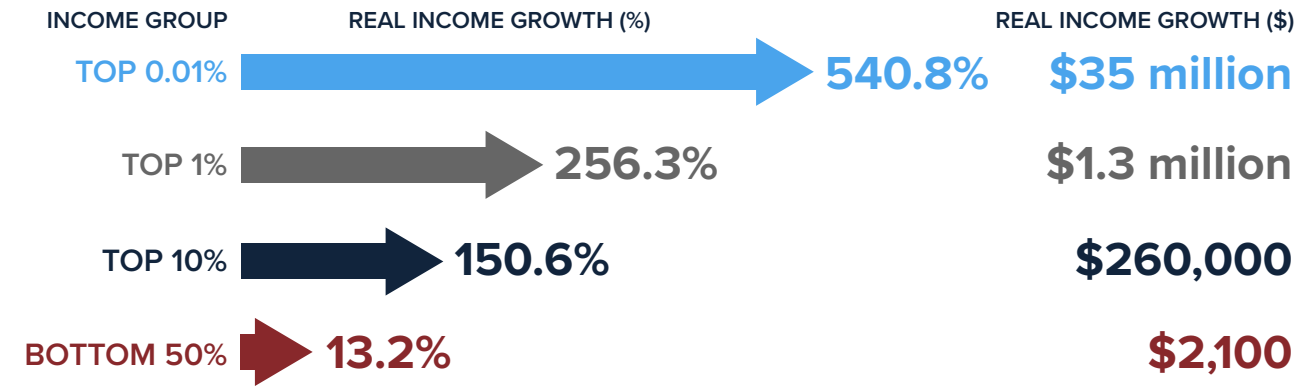
The cash cushion has grown for the Top 10% and shrunk for the Bottom 20%



This is an illustration of the Great Squeeze many Americans are feeling over the past few decades. On the income side, wages have been relatively stagnant for the bottom half of American earners. Between 1980 and 2022, the bottom half of American earners saw their real income grow 13%, the equivalent of only $2,100 in 42 years. But the earners at the top of the spectrum saw their incomes skyrocket.[51]

Economic Growth Has Gone to the Top

Real income growth by income group (January 1980–December 2022)



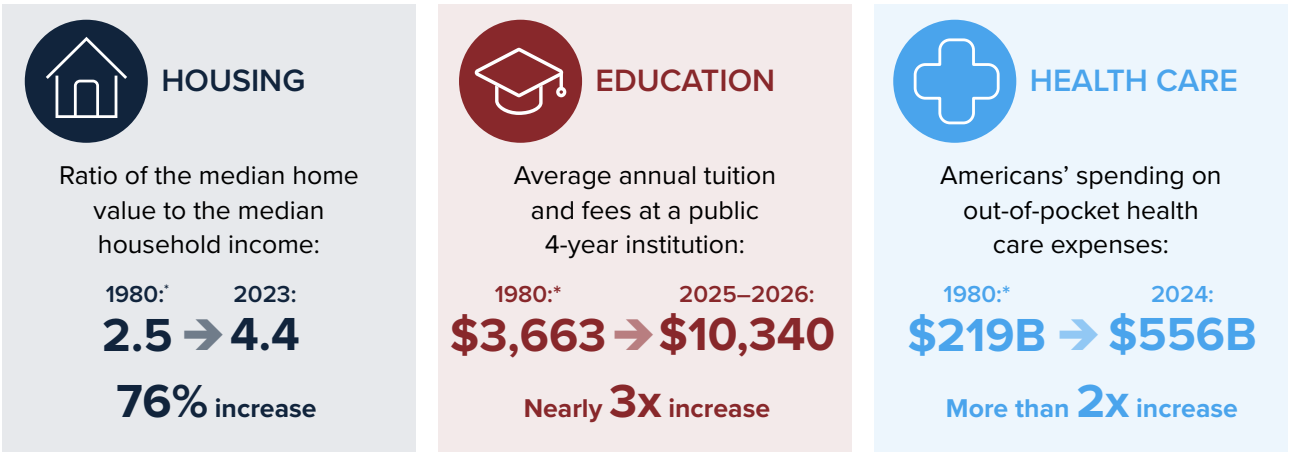
Source: https://www.realtimeinequality.org

At the same time, everyday expenses have exploded. Some examples include:

- Housing – the ratio of the median home value to the median household income has gone from 2.5 in 1980 to 4.4 in 2023[52]
- Education – In 1983–1984, the average annual tuition & fees at a Public 4-year institution was $3,663 (in today's dollars). In 2025–2026, it had nearly tripled to $10,340[53]
- Health care – In 1980, Americans spent $219 billion in out-of-pocket health care expenses (in 2024 dollars) but by 2024 that had more than doubled to over $556 billion[54]

The Rising Costs of Life's Essentials

Key costs have risen far faster than incomes over the past four decades



*1980 costs shown in 2024 dollars

Sources: Money Geek, Is It Harder to Buy a Home Today Than in the 1980s? *(October 24, 2025).*
Education Data Initiative, Average Cost of College by Year (September 23, 2025).
Centers for Medicare & Medicaid Services, National Health Expenditures by Type of Service and Source of Funds, CY 1960–2024. (Accessed July 1, 2026.)

A mom in Lake County on the Wisconsin border shared how this Great Squeeze crushes families in a way many feel is fundamentally unfair. “We did everything ‘right’ growing up — college, marriage, kids,” she said. “But we have so much debt. College debt. Mortgage debt. Health care debt. We just can’t catch up.”

Basic needs like housing, education, and health care are rising faster than wages. As a result, many, if not most, Americans families are feeling legitimately squeezed. The amount of discretionary dollars for emergencies, savings, or investment in the future has dwindled for many low- and middle-income Americans.

…BUT IT’S ALSO ABOUT INEQUALITY

Many center-left, center, and even some center-right leaders and thinkers want to stop here. By working to find ways to make buying a home, getting an education, accessing health care, and meeting other critical needs more affordable for many Americans, they hope they can address many Americans’ greatest pain points without needing to interrogate why our current economy enables the richest Americans to thrive while pushing middle- and low-income Americans further and further behind.

Kamala Harris’ “Opportunity Economy” speech in Raleigh, North Carolina in August 2024 is a prime example of this focus on affordability while largely ignoring the underlying systems of inequality. “Together, we will build what I call an opportunity economy,” she announced. “An economy where everyone can compete and have a real chance to succeed. Everyone, regardless of who they are or where they start, has an opportunity to build wealth for themselves and their children.” Her key initiatives were around “addressing the cost of living:” banning price-gouging on food, lowering drug prices, tax cuts for working Americans, and $25,000 assistance packages for first-time homebuyers.[55]

These initiatives are admirable and would have an impact on the lives of many Americans. But in isolation, they do not address the damage that rising inequality is causing to our economic growth, our public health, and our democracy. As such, a focus on affordability alone is insufficient.

INAFFORDABILITY HARMS FAMILIES. INEQUALITY RESTRUCTURES SOCIETY.

The rising inequality outlined in **Section 2** is about far more than the financial strain it places on individual households. Affordability harms families, but inequality restructures society itself — it changes the rules of the game.

As wealth and income become increasingly concentrated, inequality reshapes how our economy functions, how opportunity is distributed, and who holds power. It slows economic growth by reserving an ever-larger share of a smaller economic pie for those already at the top. It erodes our shared investments in education, public health, and the institutions that underpin broad prosperity. It weakens social trust, fuels polarization, and, perhaps most alarmingly, undermines the foundations of democratic self-government.

The evidence points to a sobering conclusion: left unchecked, rising inequality is likely to produce a smaller economy, poorer health, weaker communities, and a democracy increasingly vulnerable to authoritarianism.

This is why inequality is not simply an economic issue. It is one of the defining structural challenges facing American society.

Inequality slows economic growth

Research suggests that given an extra dollar, lower- and middle-income households are more likely to spend that money while higher income households are more likely to save that money. As we saw above, the basic needs gap among lower- and middle-income households is significantly greater than the basic needs gap among higher income households. So lower- and middle-income households are more likely to put that extra dollar to use right away buying groceries, paying for education, or going toward rent or health care costs than higher income households whose basic needs are more often fully met.

In economic terms, this means lower- and middle-income households have a higher "marginal propensity to consume" than higher income households. The result of this is that if we want to grow the economy — specifically, if we want to stimulate consumption or aggregate demand — we are better off ensuring that lower- and middle-income households have more cash to spend. We can think of this as "trickle up economics."

Economists and researchers have found that inequality is linked to lower economic growth

The Congressional Budget Office (CBO) reports that **"Policies... targeted toward people whose consumption tends to be restricted by their income... would have the largest effects on output and employment... By contrast, policies that would temporarily increase the after-tax income of people with relatively high income...would have smaller effects because such tax cuts would probably not affect the recipients' spending significantly"**[56]

Researchers at the International Monetary Fund share: **"lower net inequality is robustly correlated with faster and more durable growth"**[57]

Economists at the Federal Reserve Bank of Boston found: **"the marginal propensity to consume is lower at higher wealth quintiles"**[58]

Former Chair of the White House Council of Economic Advisors, Alan Krueger, estimated that **"if another $1.1 trillion had been earned by the bottom 99% instead of the top 1%, annual consumption would be about $440 billion higher. This would be a 5% boost to aggregate consumption."**[59]

As the CBO analysis above points out, the flipside is therefore likely true: inequality slows economic growth. Because people with the greater likelihood of putting money directly into the economy have less money, the economy can't grow as quickly. This is exactly what researcher Josh Bivens found:

"The rise in inequality has contributed significantly to the downward pressure on demand growth that is labeled secular stagnation. Inequality has transferred income from low- and middle-income households with relatively low savings rates towards higher-income households with higher savings rates. All else equal, this transfer drags on demand growth as consumption grows more slowly. This transfer will likely slow growth in aggregate demand by an estimated 2 to 4 percentage points of gross domestic product (GDP) every year going forward from today."

Researchers at the OECD found a similar result: "[L]ong-run increase in income inequality tends to drag down GDP growth"[60] with some reviews estimating that "increasing income inequality by 1 Gini point* lowers the growth rate of GDP per capita by approximately 0.12 %-points per year."[61] This is why economist Heather Boushey quips: "We have to get rid of the false story that we need to create inequality to grow the economy."[62]

Across Illinois, countless people shared stories with me about their inability to afford basic needs; their inability to drive consumption in the American economy. A grad student at Loyola University in Chicago shared, "In the current job market, there are few positions and unemployment is skyrocketing. In my recent job, I earned $18.41/hour and had to work 10.5-hour shifts. I could barely afford rent." When people lack the ability to put money back into the economy, the economy is unable to grow at an optimal rate.

Inequality likely dampens economic growth. If we want a faster-growing economy, we should explore policies that lift the consumption power of those at the lower end of the income distribution and rely less on policies that pump more money into the pockets of those at the higher end of the income distribution.

Harming Our Public Health and Well-Being

Research also strongly suggests that income inequality in particular is correlated with a host of poor public health and social outcomes. Researchers from The Equality Trust looked at a variety of indices across numerous wealthy countries to uncover a strong relationship between a nation's income inequality and that nation's well-being.[63] Combining environmental factors, social cohesion scores, carceral data, education results, and public health outcomes into a single index, they found a strong correlation between income inequality and a poorer national well-being. Breaking their research down by factor, one can see a strong relationship between income inequality and a host of negative social outcomes.[64]

To be clear, this is not a claim that inequality causes these outcomes per se. But it is a recognition that income inequality in rich nations runs parallel to a society struggling on environmental, carceral, public health, and education outcomes.

* The Gini coefficient is the dominant measure of income inequality in a society. The higher the value, the more income inequality. A coefficient of 0 would be a perfectly equal society whereas a 100 would be a perfectly unequal society.

The Human Cost of Inequality

Higher income inequality is associated with worse outcomes across a range of social ills

DOMAIN	WHAT IS HIGH WHEN INCOME INEQUALITY IS HIGH	WHAT IS LOW WHEN INCOME INEQUALITY IS HIGH
ENVIRONMENTAL FACTORS	• Air pollution	• Recycling rates
CARCERAL FACTORS	• Homicides • Imprisonment	
PUBLIC HEALTH FACTORS	• Teenage birth rates • Infant mortality • Drug usage • Diabetes • Asthma • Obesity • Mental illness	• Life expectancy • Government spending on children
EDUCATION FACTORS	• Socioeconomic gaps in math	• Basic math and reading skills among 15-year-olds

Sources: Wilkinson, Richard, and Kate Pickett. The Spirit Level at 15: A Summary of New Evidence on Inequality and Its Impacts Since the Original Publication of The Spirit Level. *The Equality Trust, 2024.*

A group of young people in Chicago shared with me how this plays out in their day-to-day lives in frightening ways. One shared that “a friend had to sell their home to pay their health care bills.” Another confessed, “I had a health care procedure and when I received the bill it was for $100,000. If the hospital hadn’t fought for me, I don’t know what I would have done.”

People are falling behind in meeting their basic needs and society is suffering.

Democracy and Civil Society

One of the most alarming findings in recent research is how strongly economic inequality is correlated to weakening democracy and rising authoritarianism.

In 2024, Susan Stokes from the University of Chicago and Eli Rau from Tecnologico de Monterrey released a white paper with dramatic results. In a global review of democracies over a roughly 50-year period, they found that “the larger the share of national income and wealth going to the top one percent and Top 10% of the population, the more likely the democracy is to erode.”[65] Many political scientists had previously believed that other factors — such as the youth of a democracy or the country’s overall GDP — were the strongest predictors of whether or not a democracy would backslide to authoritarianism. Income and wealth inequality now seem to be the single greatest predictive factor as to whether a democracy withers.

There may be many interrelated reasons for this. First, a host of data suggests that **social cohesion** is lower in more unequal rich countries than in more equal rich countries. In evaluating surveys where

> *...the larger the share of national income and wealth going to the Top 1% and Top 10% of the population, the more likely the democracy is to erode.*
>
> — **SUSAN STOKES** AND **ELI RAU**

people are asked whether "most people can be trusted," researchers found that in more unequal countries, trust in fellow citizens was lower.[66]

Second, it appears **partisanship** increases in unequal countries. "Countries showing higher levels of income inequality measured by the Gini coefficient are associated with greater degrees of political polarization...countries with greater income inequality tend to be more polarized on economic, democratic, and social ideologies."[67]

Third, people's **faith and participation in democracy** is lower in more unequal countries. In a review of survey responses and voter turnout data, political scientist Frederick Solt found "that higher levels of income inequality powerfully *depress political interest*, the *frequency of political discussion*, and *participation in elections* among all but the most affluent citizens."[68]

To be clear, this data illustrates not that poverty or an affordability crisis threatens democracy, but instead it is a widening gap in income and wealth between the rich and everyone else which is correlated to democratic erosion.

This data reinforces what many Americans have witnessed in our own country. According to a 2026 global analysis from the V-Dem Institute out of the University of Gothenburg in Sweden, the United States is among the biggest democratic backsliders globally in recent years. "In only one year, the U.S.A. already ranks fourth in magnitude of deteriorations — just behind the top three most flagrant cases who have been autocratizing for over a decade."[69] They lifted up two additional findings which should alarm us:

- The level of democracy in the United States has slipped to a level not seen since before the Civil Rights Era took off in earnest in 1965.[70]
- Looking holistically, this decline in democracy is the most rapid decline in American history.[71]

These findings are consistent with what many other sources are finding. *The New York Times* created an "autocracy tracker" outlining 12 factors which predict a democracy's backsliding into autocracy. On all 12 factors, American democracy has regressed.[72] A meta-review of data conducted by Pew Research Center found that American democracy is on the decline according to data from at least three separate research organizations.[73]

And Americans notice. Over two-thirds of Americans believe that U.S. democracy "used to be a good example, but has not been in recent years."[74]

A focus on affordability that does not take into account the corrosive impacts of inequality on democracy will likely fail to slow down the democratic backsliding the U.S. is currently experiencing.

KEY POINTS

- **America's challenges are not solely an affordability problem — they are also an inequality problem.** Policies that lower costs without addressing the growing concentration of income and wealth cannot fully address the economic, social, and democratic challenges facing the nation.
- **The concentration of income at the top has weakened the economic foundation of millions of American families.** While wages for many workers have stagnated, the costs of housing, health care, education, childcare, and other basic necessities have risen dramatically, leaving families increasingly unable to meet their basic needs.
- **Rising inequality slows economic growth.** Because lower- and middle-income households spend a much larger share of every additional dollar they earn, concentrating income and wealth among those most likely to save reduces consumer demand and limits the economy's long-term growth potential.
- **The consequences of inequality extend far beyond household finances to the well-being of our society at large.** Across wealthy countries, higher levels of income inequality are consistently associated with poorer physical and mental health, lower social trust, greater violence, weaker educational outcomes, and reduced overall well-being.
- **Extreme inequality threatens democracy itself.** A growing body of research finds that rising concentrations of income and wealth are associated with declining democratic resilience, increasing political polarization, and a greater risk of democratic backsliding and authoritarianism.
- **Left unchecked, rising inequality is likely to produce a smaller economy, poorer health, weaker communities, and a democracy increasingly vulnerable to authoritarianism.**

THE QUESTION THIS INVITES US TO ASK

Is this level of inequality — despite its many harms — an equilibrium Americans are comfortable with?

Political scientist Andrew J. Taylor argues that the American public doesn't "care particularly about inequality … [I]t's an abstraction … [T]here's a level of acceptance of it that is higher than I think the existing literature believes."[75]

If that is true, then today's extraordinary levels of inequality may just be the price most Americans are willing to pay for the benefits of capitalism we experience.

But is that true?

Or is there a growing appetite to explore new frameworks and innovative policies to rein in inequality while preserving the strengths of capitalism?



Wisdom From the Field

KEY TAKEAWAY:

Voters are ready to rethink who should share in the prosperity we all create.

INTRODUCTION

The previous two sections examined what economists, historians, and political scientists have learned about inequality. But understanding inequality requires another form of knowledge as well: the lived experience of the people navigating today's economy every day. **Sections 2** and **3** asked what the data tells us. This section asks what Americans themselves are telling us.

I spent the winter of 2025 and spring of 2026 traveling throughout the heartland of Illinois. I sat in a library in a county so rural it only has one stoplight to hear from farmers and small business owners. I sat in a living room near where Missouri, Kentucky, and Illinois meet to listen to university students and retired professors. On Chicago's west side, I listened to Black and brown Trans folks in a community center and spoke with Spanish speaking immigrant mothers at a neighborhood school. All in all, I convened over two dozen community gatherings with nearly three hundred people.

And building off this, I partnered with Impact Research in February and March of 2026 to survey 1,200 registered voters throughout Illinois (a sampling whose intensity mirrored that of the insightful polling produced by *Wall Street Journal*'s July 2025 survey of 1,527 people nationwide or the *New York Times*'s January 2026 survey of 1,625 people across the country).

Combining the deep conversations with nearly 300 people in intimate settings and the polling of 1,200 people across a heartland state, the result is one of the most robust datasets trying to understand people's current experiences of the American economy.

What I found was alarming both in its consistency across age, income, household, and partisanship as well as in the depth of convictions people shared. Most Americans aren't policy experts or steeped in economic research, but they know something feels fundamentally unfair. They hold a profound wisdom different from that of the university professor, think tank researcher, or foundation executive. They know something deeply true about our economy.

AMERICANS KNOW THAT WE ARE NOT FACING AN "AFFORDABILITY CRISIS." WE ARE FACING A "BASIC NEEDS CRISIS."

When policy leaders talk about an "affordability crisis," I worry that the depth of what Americans are experiencing is lost. An "affordability crisis" sounds like people are making tradeoffs between "affording" a summer vacation to Italy or Florida or swapping out a date night at a fancy dinner for an evening at Applebee's. To be precise, people are struggling to afford the basic needs of their everyday lives.

4/5 of voters worry about their basic needs

In the past 6 months, have you worried about affording the essentials you and your family need?



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Over 80% of voters have "worried about affording the essentials" they and their families need over the past 6 months. Not the nice-to-haves. The essentials.

To put an even finer point on it, when we dug deeper to find out what people mean by this, what we found was heartbreaking. 27% of Illinois voters report they are "currently struggling" to afford food. 25% are currently struggling to afford the roof over their head. 23% are struggling to afford their own health care or medicine.

Voters are struggling to afford food, shelter, and health

Voters responding that they are "currently struggling" to afford these expenses



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

And these groups are not wholly overlapping. When we zoom out, 43% of voters share that they are struggling to afford food and/or rent and/or health care and medicine. Millions of Illinoisans are staying awake at night trying to figure out how to make sure they have enough to pay for food or shelter or medicine.[76]

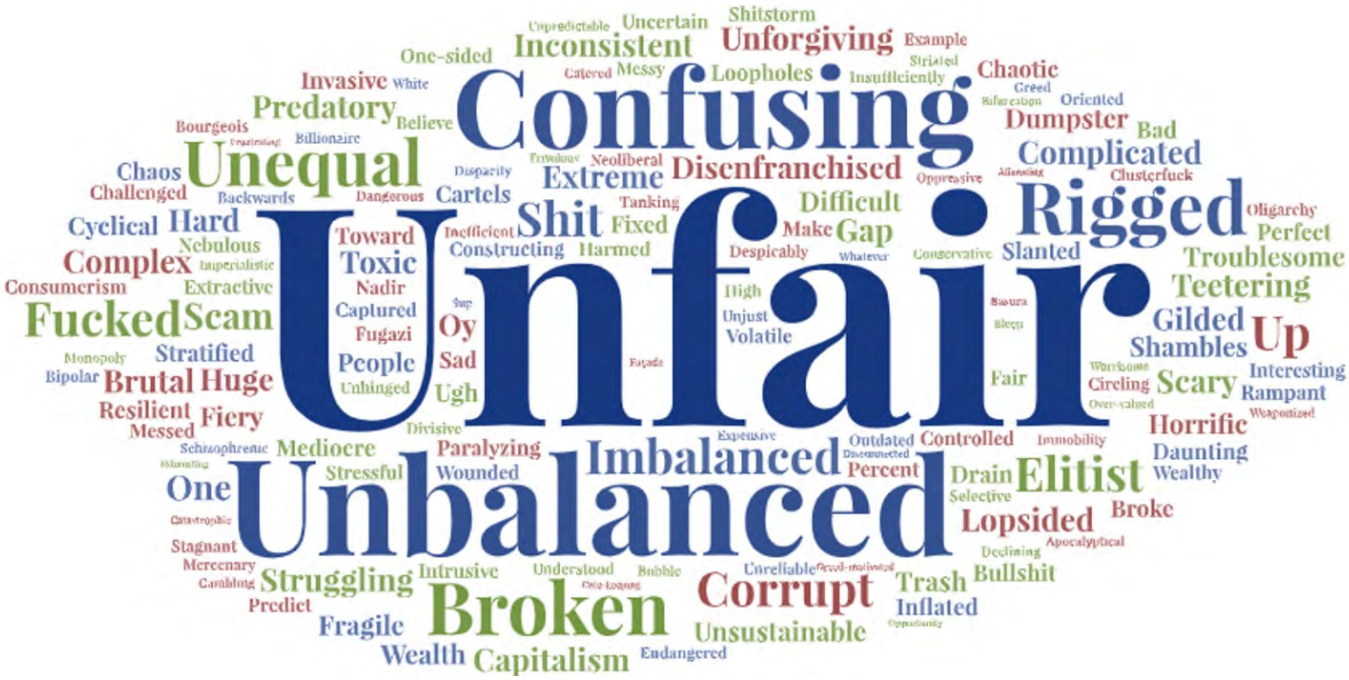
> *43% of voters are currently struggling to afford food, rent, and/or their health care.*

Illinois has the 5th largest economy among American states. If it were a separate country, it would be one of the top 20 largest economies in the world.[77] In one of the richest economies, in the richest nation, in the richest time in human history, the fact that nearly half of our residents are struggling to afford food, shelter, or medicine is more than an economic challenge or a political crisis. It is a moral failing.

VOTERS UNDERSTAND THE CRISIS IS ABOUT UNFAIR DISTRIBUTION, NOT JUST AFFORDABILITY

But this is about more than a Basic Needs Crisis.

Across dozens of conversations with nearly 300 people throughout the state, I asked every person to give me one word to describe the American economy.



Rather than describing the economy as unaffordable, people described it as fundamentally unfair: "unbalanced," "rigged," "unequal," "corrupt," "elitist." What rang through in living rooms and libraries and community centers was a dominant narrative about an economy that benefited only a few while everyone else scrambled to get by.

And polling confirmed how deeply and broadly people felt this narrative.

We asked voters which description came closest to their point of view:

- The ultra-rich earn way too much money today. At a time when too many families are struggling to make ends meet, today's billionaires are earning too much at the expense of working people. OR
- I am not that concerned with how much money the ultra-rich are making. If they are working hard and succeeding in today's economy, good for them. They should be celebrated for being successful, not criticized for being rich.

2/3 of voters believe the ultra-rich earn too much at the expense of working families



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

By a margin of more than 2:1, voters faulted a system where the ultra-rich could earn so much at a time when too many families struggled to get by.

This viewpoint preference held across nearly all subgroups. In every geographic region, across all racial/ethnic subgroups, all age groups, and at every education level, the preference for the view that the ultra-rich earn way too much was in the double digits.[78] Even people living in households with incomes over $150,000 saw a +12 point net agreement for this viewpoint.

Even voters in households earning $150K and more believe the ultra-rich earn too much at the expense of working families



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

The primary line of divergence came by voting lines: whereas Donald Trump 2024 voters were nearly split on the question (with a +3 point preference for the viewpoint that the "ultra-rich should be celebrated"), Kamala Harris 2024 voters had a +67 point preference for the viewpoint critical of wealth accumulation by the "ultra-rich."

The eventual conclusion most voters are making is that our current version of capitalism is focused on making the rich even richer, not ensuring that most people have enough or that all of us share in our national prosperity. By a margin of nearly 4:1, voters believe that American capitalism today is "too focused on making a small number of people very rich."

3/4 of voters believe that capitalism today is too focused on making a few people very rich

Voters' responses to whether "Capitalism… [is] too focused on making a small number of people very rich."



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Even voters living in households earning more than $150,000 and Donald Trump voters believe by margins of nearly two-to-one that capitalism is focused too much on benefiting those who are currently wealthy at the expense of everyone else.

Voters in households earning $150K or more also strongly believe that capitalism today is too focused on making a few people very rich

Voters' responses to whether "Capitalism... [is] too focused on making a small number of people very rich."



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

AMERICANS' TOLERANCE FOR ECONOMIC INEQUALITY IS STRETCHED NEARLY TO A BREAKING POINT

Research suggests that Americans have a certain level of tolerance for inequality. Harvard Business School professor Michael Norton designed an experiment to capture this point. In it, he created a fictional "desert island" nation and asked subjects to serve as the "dictator." The dictator had to decide how much of the nation's wealth to give to each quintile from the top 20% all the way to the bottom 20%. On average, Americans were comfortable with the wealthiest quintile having around 30% of the national wealth and the poorest quintile having about 10% of the national wealth.[79] Norton sums up his review of the research this way: "Research reveals that Americans from all walks of life — rich and poor, liberal and conservative — endorse unequality: unequal outcomes (rich people have more than poor people)."[80] Political scientist Andrew J. Taylor, in his book *A Tolerance for Inequality*, draws a much more sweeping conclusion claiming "Americans ... don't really care too much about this sort of abstraction called equality or inequality."[81]

Our data does not show voters are indifferent to economic inequality. In fact, as we have seen above, voters express deep frustration with the levels of current economic inequality.

In our polling and community conversations, voters appear to be angry over what they view as unfair inequality — inequality not driven by differences in the amount of work or talent people bring to jobs, but inequality driven by structural factors. While more research should be done to understand precisely what tips voters from a tolerance for some inequality to anger over a sense of unfair inequality, three factors may be contributing to a broad-based sense of unfair inequality.

The Size and Scale of Inequality

In a further extension of the "desert island game," Michael Norton also asked research subjects how unequal they thought the American economy currently was (in 2014). His findings showed a meaningful gap between what Americans saw as the ideal, what they estimated the current wealth distribution was, and what the actual wealth distribution was. While people in his study wanted the poorest fifth of Americans to have 10% of the nation's wealth (in the desert island game), they thought the poorest fifth had 4% of the nation's wealth. In fact, according to Norton in 2014, the poorest fifth had only 0.4% of the nation's wealth. On the top end, Americans wanted the richest fifth to have 30% of the nation's wealth, they thought the richest fifth had 60% of the nation's wealth, when in fact Norton says the richest fifth had 85% of the nation's wealth.

Drilling down on CEO wages, Norton found that while Americans favored an "ideal" pay ratio between CEOs and "unskilled" workers of about 7:1, the actual ratio at the time of his study was closer to 350:1.[82]

Norton summed up his findings this way: "[P]eople dramatically underestimated the current level of wealth inequality, and they wanted greater equality than even these estimates. In other words, they thought that things were more equal than they are and they wanted things to be even more equal than they thought they were."[83]

If the size and scale of income and wealth inequality we see today has been increasingly communicated to voters through political candidates, public officials, and the media over the past few years, it may be pushing voters past their comfort level with moderate inequality. Throughout the state, people shared the assessment that an employee at a technology company in suburban Chicago described as "only those who are already super-wealthy … benefit" from our economy.

One's Own Basic Needs Crisis

We saw that a majority of voters at all household income levels believe that capitalism is "too focused on making a small number of people very rich" and that the ultra-rich are currently "earning too much at the expense of working people."

When we break down those questions by those who are worried about their essentials versus those who aren't, we see a stark difference.

Voters worried about essentials are far more likely to say capitalism benefits too few

Voters' responses to whether "Capitalism… [is] too focused on making a small number of people very rich."

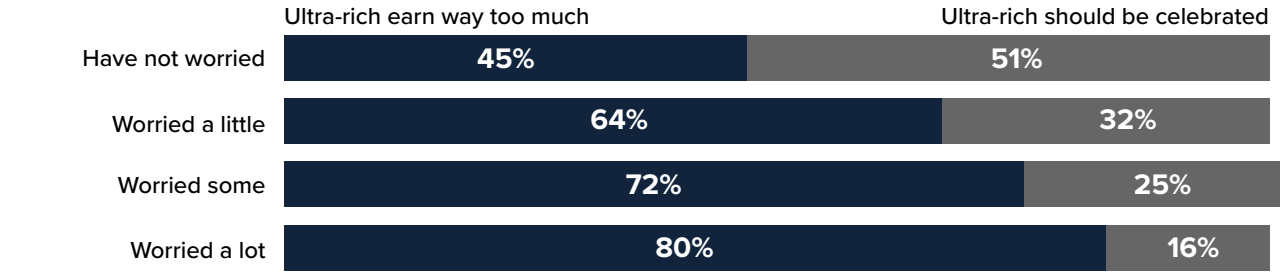


Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Those who are worried about affording the essentials are 18–21 points more likely to believe that capitalism is too focused on benefiting the super-rich than those who aren't worried about affording the essentials.

In addition, when asked whether voters believed the "ultra-rich earn way too much money… at the expense of working people" or whether "the ultra-rich… should be celebrated for being successful not criticized for being rich," we see a stark difference depending on how worried respondents are about their own ability to afford the essentials their families need.

The more worried voters are about affording the essentials, the more likely they are to believe the ultra-rich earn too much



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Voters who have worried a lot about affording the essentials are 35 points more likely to believe the ultra-rich earn too much than are voters who have not worried about affording the essentials.

Taken together, we can see how voters' sense of their own economic precarity may be a strong predictor of whether they are frustrated by the income and wealth retained by the nation's richest and top earners. Given that 83% of voters have worried about their ability to afford the essentials over the past 6 months, this suggests that the broad sense of economic insecurity may be fueling a significant part of the country's frustration with a system they believe is designed to benefit the wealthy at the expense of working families.

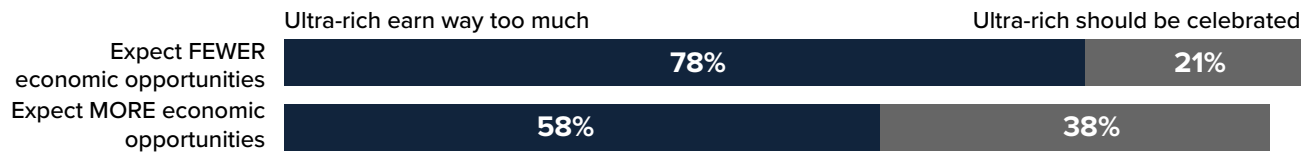
Their hope for the future

A CEO of a company with nearly a billion dollars in annual revenue told me that he believed "inequality" was not a problem per se. Instead, he believed the core issue was declining "hope" that one's kids will have a better life than one does. This lack of a belief in intergenerational mobility was the key problem to solve for, he asserted, not income or wealth inequality.

This CEO was right in his description of waning intergenerational mobility. Harvard economist Raj Chetty found that whereas 92% of those born in 1940 would earn more than their parents, there was a fifty-fifty chance that Millennials (born between 1981 and 1996) would earn more than their parents.[84]

Furthermore, our data found that concerns about intergenerational mobility ran parallel to voters' concerns about inequality. Voters who believe that young people will have fewer opportunities in the future than they've had are 20 points more likely to believe the ultra-rich earn way too much than voters who believe young people will have more economic opportunities ahead.

Voters who expect fewer opportunities for young people are more likely to say the ultra-rich earn too much



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Similarly, voters who believe young people will have fewer economic opportunities are 15 points more likely to believe that capitalism is "too focused on making a small number of people very rich."

Voters who expect fewer opportunities for young people are more likely to say capitalism benefits too few

Voters' responses to whether "Capitalism… [is] too focused on making a small number of people very rich."



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

It is unclear from the polling whether the belief in the future of economic opportunities for young people is driving views on capitalism, vice versa, or some dynamic interchange between the two. But we can say that pessimistic beliefs about the opportunities for intergenerational mobility run parallel with frustrations over economic inequality benefiting the wealthy.

Putting it together

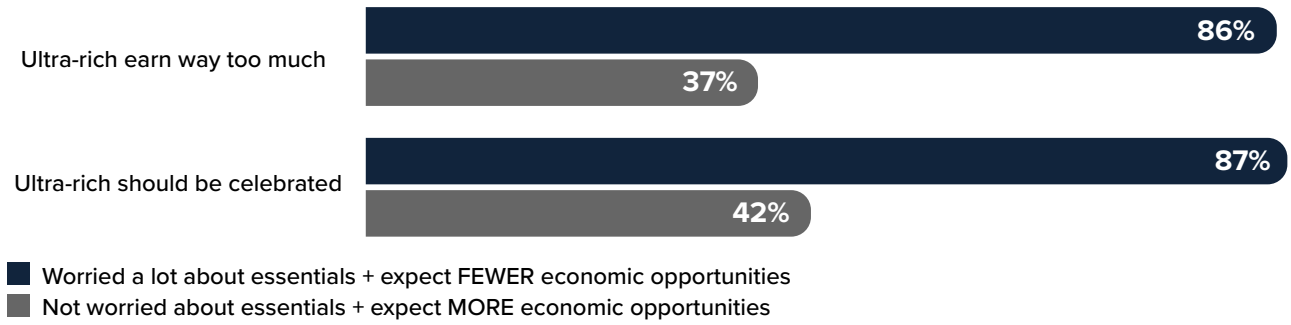
Psychologists Christina Starmans, Mark Sheskin and Paul Bloom tried to wrestle with an understanding of the conditions under which people tolerate inequality. Their review of the literature uncovers "a wealth of empirical evidence suggesting that people don't care about reducing inequality *per se*. Rather, people have an aversion toward unfair inequality and under certain special circumstances this leads them to reject unequal distributions."[85]

A key driver, they suggest, is people's belief that inequality may be required for "motivation and mobility." A "motivation for inequality," they write, "may come from the idea that inequality is necessary to motivate industriousness and allow for social mobility."[86] If this is the case, then people who worry about affording the essentials and worry about limited social mobility may be less tolerant of unequal distributions.

Our data suggest this is the case.

Among voters who both "worried a lot" about affording the essentials *and* believed young people would face fewer economic opportunities, 86% believed "the ultra-rich earn way too much money today … at the expense of working people." This was 49 points higher than among voters who were not worried about the essentials and believed young people would have more economic opportunities.

Fears about basic needs and social mobility are associated with concerns about income inequality



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Similarly, among voters who both "worried a lot" about affording the essentials *and* believed young people would face fewer economic opportunities, 87% believed "the ultra-rich shouldn't make so much money when many families struggle to make ends meet." This was 45 points higher than among voters who were not worried about the essentials and believed young people would have more economic opportunities.

When voters are worried about their ability to afford their basic needs *and* when they are worried about the economic opportunities young people will face in the future, their tolerance for inequality drops significantly. And these groups are not small. Nearly half of voters believe young people face fewer economic opportunities than they did. And 83% of voters have worried about affording the essentials in the past 6 months.

It may also be true that when voters realize how wide the gap between the actual size and scale of today's economic inequality and their beliefs about what inequality is ideal, they may grow in their frustration, but this needs to be better tested.

More research can be done to more fully understand the exact nature and size of the relationship between these beliefs and a frustration over inequality. But our initial research suggests that when voters face a Basic Needs Crisis and experience fears about stagnant economic opportunities for young people, they appear to believe that the inequality we are experiencing in America today is an Unfair Inequality Crisis.

AMERICANS' FAITH IN OUR POLITICAL SYSTEMS IS COLLAPSING, FUELED BY THEIR EXPERIENCES WITH THE BASIC NEEDS CRISIS AND THEIR FRUSTRATION OVER RISING INEQUALITY

Given the depth of the Basic Needs Crisis and the frustration at a system that is focused on those who are already wealthy, it is probably not surprising to learn that most voters overwhelmingly believe that the economic systems in this country are stacked against them.

But the depth of this conviction is illuminating. Over two-thirds of voters believe the economic system works against them. Young people (79%), people living in downstate Illinois — a predominantly rural region (81%) — and Black voters (79%) hold this belief deeply.

A supermajority of voters believe that economic systems are stacked against them

Voters' responses to the statement, "The economic systems in the country are stacked against people like me."



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

The threats to our democracy from the Basic Needs Crisis and the frustration with unfair inequality become clear when we ask voters to share their thoughts on how well the political systems in this country are serving them. More voters believe that the political systems are stacked against them than the economic systems. In fact, nearly three out of every four voters feel left behind by our political systems.

An even larger majority of voters believe that the political systems are stacked against them

Voters' responses to the statement, "The political systems in the country are stacked against people like me."



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

And if you look back against previous data, a key contributing factor emerges. Echoing the data from Susan Stokes, Eli Rau, and Frederick Solt, whom we discussed in **Section 3**, a key dividing line for whether or not voters believed political systems looked out for them is how they were dealing with the Basic Needs Crisis. Four out of five voters who were struggling to make ends meet, believed political systems worked against them, compared to only two out of five who were not struggling. The Basic Needs Crisis appears to be fueling deep distrust in our political systems.

Voters struggling to afford their basic needs are 2.1x more likely to believe political systems are stacked against them

Voters' responses to the statement, "The political systems in the country are stacked against people like me."



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

PEOPLE WANT AMBITIOUS LEADERS AND BOLD SOLUTIONS FOR INEQUALITY

But does this anger lead voters to want to see bold innovation from their leaders or more of a Clintonian commitment to focusing on making government "work effectively and efficiently"[87] to drive economic growth?

We asked voters whether they want elected leaders to focus on:

- "bold ideas to help working families afford their basic needs and reduce economic inequality." OR
- "the basics of making government work and not chase flashy new ideas."

By a 23-point margin, voters are clamoring for elected leaders who are boldly focused on tackling the Basic Needs Crisis and rising inequality. Strong preferences for boldness emerged among Chicago voters, Kamala Harris voters, and Black voters by margins of more than 2:1. Voters in households earning more than $100,000 and Donald Trump voters were more evenly split between boldness and basics.

Voters want bold action on inequality and affordability



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

This is not to say that a focus on making the government work well for more Americans can't be bold. In my conversations throughout the state, voters certainly want their government to work well. But a messaging focus that aims to "return to the basics" of good government or competence is missing the hunger for big things and new ideas that voters feel meet the moment of their anger and frustration.

VOTERS BELIEVE THAT WHEN COMPANIES PROSPER, SO SHOULD WORKERS

Voters are feeling an acute Basic Needs Crisis. They are angry about an economy that seems deeply unfair and political systems that are working against them. They are clamoring for visionary leaders offering bold solutions.

The types of solutions we see that voters are particularly drawn to center on the same key belief: that when companies prosper, more than CEOs and shareholders should benefit. Workers should prosper too.

Three of the ideas for reform that generated some of the most enthusiasm all anchored around the premise that workers should share in the corporate profitability they help create:

- "We need laws to reform capitalism so companies have to think about their workers and communities, not just turning a profit for their shareholders." (79% agree; +63 net agree)
- "We should require big companies to give workers a share of their profits, so when companies succeed, workers benefit." (78% agree; +61 net agree)
- "We need to pass laws to raise worker pay so that CEOs aren't making so much more than their workers." (74% agree; +54 net agree)

Voters overwhelmingly believe that when companies profit, workers should benefit



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

These strongly held viewpoints suggest there is much room to develop policies that move beyond taxation and government spending policies that often dominate debates around economic reforms. Bold policies that require wages and profits to be more equitably shared among workers, CEOs, and shareholders are ripe for development.

And in a rare bright light in today's partisan landscape, supermajorities across the political spectrum support these ideas. While Harris voters support these concepts at higher rates, Trump voters also support them, with net agrees ranging from +31 to +44.

Shared prosperity with workers garners broad bipartisan support



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

AN EMERGING DISCONNECT BETWEEN THE PUBLIC AND BUSINESS LEADERS

In my interviews with CEOs and business/civic leaders, the rise of economic inequality and its harms were increasingly known. Business leaders "know the gap [in income and wealth] is high and that it's not good," shared one executive of a business group, "but there is no incentive to do something about it."

Another business leader who manages over $500 billion in assets shared "The wealthier are getting wealthier. The lower- and middle-classes are falling further and further behind … It is going the wrong direction at warp speed." He continued, "I'm a dyed-in-the-wool capitalist, but people shouldn't make $5 billion in one year."

But even among the business leaders most aware of the size and harms of rising economic inequality, the appetite to adopt bold solutions was limited. The resistance fell into three primary buckets. First was the belief that any changes to the current incentive structures for shareholders, entrepreneurs, and senior executives could carry a significant risk of slowing economic growth. Policies to "raise the floor" for low- and middle-income families (e.g., education reform, workforce development) were intriguing to many of these business leaders, but anything that would have a concurrent restriction on what profits senior executives and shareholders take home were met with skepticism.

Second was a resistance to any outside constraints on management decision-making. It was believed that managers knew what was best to grow their business, and any outside effort to rein that in, was likely to be harmful for the business. This was particularly true when those constraints came in the form of laws or government intervention. One investor/CEO summed up by saying, "We shouldn't change a deregulated business environment. We should trust businesses to do the right things; trust them to run their businesses on a day-to-day basis and not burden them with regulations that just funnel money to lawyers."

A final form of resistance came from the incredulity that any regulations could actually have their intended impact without being met with creative workarounds or flight of capital or jobs. One CEO shared that there will always be "so many loopholes" to any effort to rein in profit flows to shareholders and management that any attempts to do so will just drive business out of state or out of the country.

The result is a striking disconnect on two levels.

First, while some business leaders may be unaware of the size of rising inequality and its harms, many business leaders were in fact aware. But when the time came to entertain bold solutions to address this crisis, the incentives among these business leaders to do something in the short term were nearly nonexistent. And the fears of constraining economic growth, over-regulating businesses, and incentivizing flight of investment and jobs were greater than the fears of allowing the current levels of inequality to continue (or even grow).

Second, I heard almost no evidence among business leaders that they were aware of the depth and breadth of voter concerns and their appetite for bold solutions. Voter pushback or democratic resistance to rising wealth and income concentration at the top rarely came up, if at all. It was as if the CEOs, investors, and business leaders I spoke with had little to no idea that voters' tolerance of the current system was strained nearly to a breaking point.

KEY POINTS

- With over 80% of voters reporting worrying about affording the essentials, and 43% of voters currently struggling to afford food, rent, and/or health care; **we are facing a Basic Needs Crisis, not an affordability crisis**.
- Voters recognize that we are living through a highly unequal time in the American economy. They are frustrated not just by their own economic precarity, but also they are **deeply angry about an economy that they believe is unfair and works to make the ultra-rich even richer at their expense**.
- The result of a Basic Needs Crisis and an Inequality Crisis is that **over two-thirds of voters believe economic systems are stacked against them and nearly three-quarters believe the political systems are stacked against them**.
- Nearly 60% of **voters want bold leadership** to address economic inequality and help working families.
- A shared cross-partisan consensus among voters emerges that **we need to reform our laws to require companies to share the prosperity they experience with the workers who help make that prosperity possible**.
- While **business leaders** are increasingly aware of the rise of economic inequality, their **fears of potential solutions often outweighed their fears of continuing on the current path**.

THE QUESTION THIS INVITES US TO ASK

The question, then, is no longer whether Americans recognize something is wrong. They do. The question is whether there is a coherent framework that explains why these concerns fit together — and points toward solutions that address them together rather than separately.

If voters want bold solutions to ensure more workers and more community members benefit from the prosperity they help build, perhaps we should begin by asking a more fundamental question: **Who has a rightful claim to the prosperity we create together? And what kind of economic framework could help us answer this question?**



Democratic Capitalism

KEY TAKEAWAY:

Democratic Capitalism begins with a simple but transformative idea: **workers**, the **public**, and **investors** all help create prosperity — so all should have a rightful claim to share in it.

INTRODUCTION

Over the past few decades, Americans have continued to work hard, yet prosperity is becoming increasingly concentrated. Millions struggle to afford their basic needs. Many explanations have been offered for this trend, and many policy solutions have been proposed. But beneath those debates lies a more fundamental question that is rarely asked: **In our economic system, who has a rightful claim to the prosperity businesses create?**

The Basic Needs Crisis and rising inequality are not simply the products of poor policy choices or changing economic conditions. They are also the predictable outcome of a deeper feature of modern capitalism: our legal and economic systems recognize only financial capital as having a claim on profits, even though businesses also rely on human and public capital to create value.

Democratic Capitalism is an alternative economic, political, and moral framework to the current model — one that asks whether investors, workers, and the public should all share more directly in the prosperity they help create.

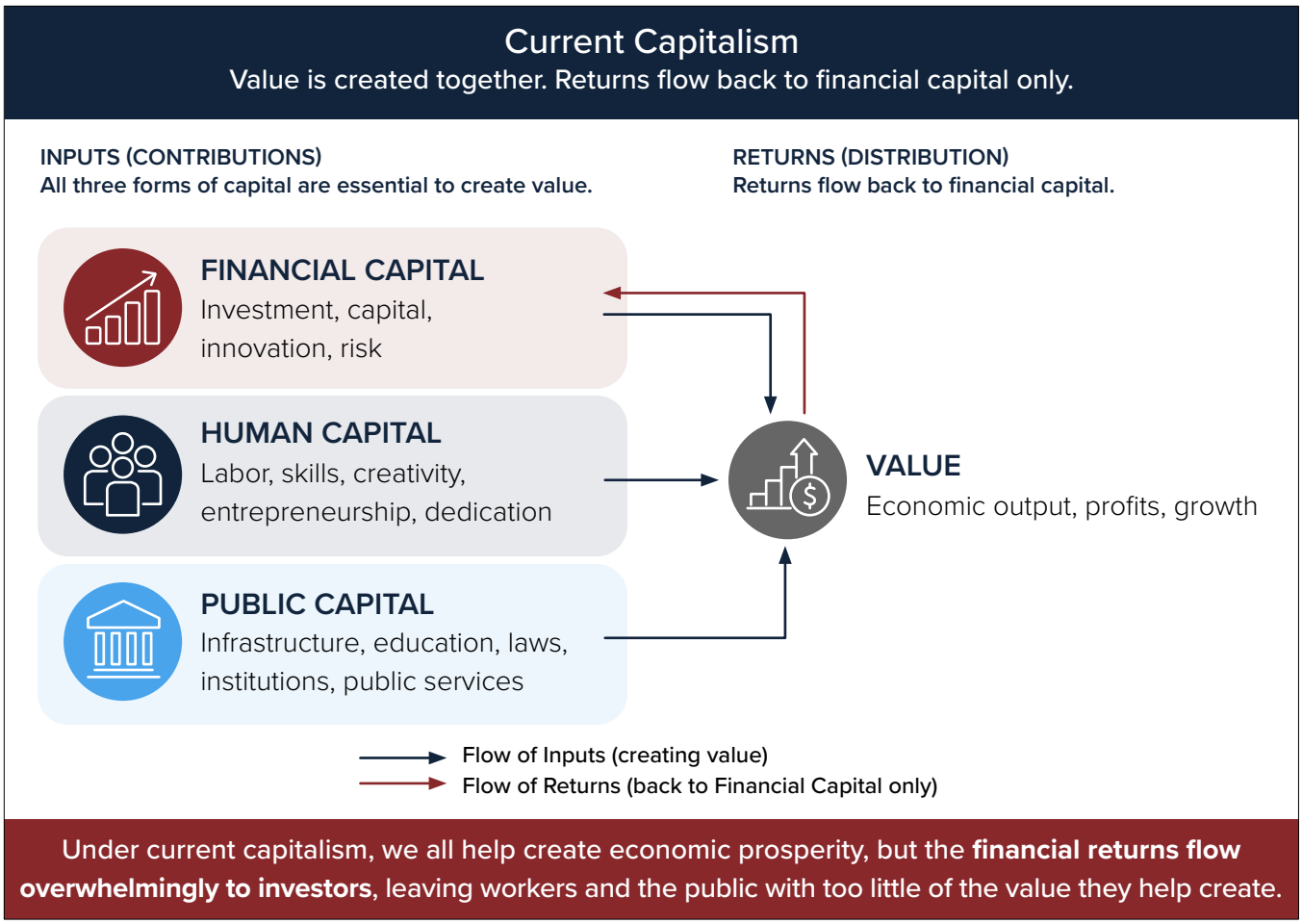
OUR CURRENT MODEL GIVES ONLY ONE SOURCE OF CAPITAL THE RIGHT TO CLAIM PROFITS

A host of factors have contributed to or are correlated with the rise of income and wealth inequality in the United States over the past decades. They include the decline in unionization[88], the rise of corporate lobbying power[89], and the proliferation of globalization.[90]

However, the deeper problem is not simply globalization, declining unions, or corporate lobbying. There is a foundational design flaw in modern capitalism, which, when exacerbated by other factors like those listed above, catalyzes rapidly rising inequality.

For any business to create value — to turn a profit — it needs three primary sources of capital. It requires financial capital (often from investors). It requires human capital from its workers. And, it requires the public capital we all pay for and own collectively — such as our roads, our energy grids, our natural resources, our public education, our public safety, our inherited political and economic systems, and our patent systems.

And yet, our current legal and economic systems only allow financial capital — the investors — to have a claim on profits, an enforceable right to share in the residual value of a firm after its obligations have been met.



Who has a claim on profits matters a great deal. The consequences of determining who can have a share of profits are at least threefold.

First, the right to claim profits determines who the system is designed for. When economists and political thinkers argue that the primary purpose of the private sector is to maximize value for investors, they are operating within a framework that says only investors are owed profits. Business practices and public policies flow from that. Wages, employee benefits, and policies of corporate citizenship all operate within a model of making sure investors maximize their claim on prosperity. Public policies ranging from taxation to public investments respond to a framework that centers who can claim profits.

Second, in an economy of rising prosperity, who has a claim on profits determines who gets the lion's share of income and wealth. We have seen how in the past few decades of economic growth, profit distributions and income growth have flown disproportionately to the top — the investors and those who work directly for investors.

Finally, when public and private systems operate to prefer the profit claims of one source of capital and when that source of capital claims the lion's share of residual value, this source of capital exerts a great deal of power in a society. When our legal and economic systems orient themselves toward the income and wealth accrual of investors, it is investors who exert significant economic and political power.

Who Has a Claim on Profits Matters



PURPOSE
Who is the system built to benefit?



PROSPERITY
Who receives income and builds wealth?



POWER
Who holds economic and political power in society?

Who the system is built to benefit shapes who prospers and **ultimately who has power.**

Therefore, it becomes essential that our legal and economic systems accurately determine to whom profits should flow.

In describing the current model as such, I often face three common questions.

First, aren't wages and taxes already ways that workers and the public share in profits? Wages and taxes are descriptions of who gets compensated, not descriptions of who has a claim on profits. In a business, cost centers are not profit owners. In modern capitalism, management and shareholders treat labor and taxes as costs to be minimized while profits flowing to investors are outputs to be maximized. Only investors have a claim on profits.

I'll add that evidence of wage and tax payments goes back millennia to at least early Mesopotamia, thousands of years before the first modern joint stock corporation and the advent of modern capitalism. Attempting to justify wages and taxes as a form of capitalistic profit distribution to workers and the public runs the risk of appearing like merely a convenient rationalization of the current model.

Second, aren't investors, workers, and the public all getting compensated consistent with what the market allows? Workers negotiate and receive wages, and when they do so collectively through unions they can exert considerable pressure to receive fair wages. The public exerts their political power to claim profits in the form of taxes. And investors only inject capital when they believe the returns are worth it. But this analysis ignores the fundamental power dynamics at play. Owners of financial capital have substantial market and political power and can wield that power — to go so far as to manipulate and exploit the markets — to ensure they remain the only claimants on residual value at the expense of others.

Finally, shouldn't investors get the residual profits because they bear the risk — or the primary risk? This argument falls flat to voters and workers who have been at the losing end of business decisions. Ask a worker laid off or a small town whose primary employer has shut down to offshore production whether they bore any risk in that business. True, investors bear risk — which they can balance across a diversified investment portfolio. Workers have far fewer opportunities to diversify their risk across multiple employers; and communities (especially small- to medium-sized communities) have limited ability to diversify their geographic risk. A more accurate analysis suggests that all inputs — investors, workers, and the public —

bear risk. Investors bear financial risk. Workers bear livelihood risk. Communities bear place-based risks. But under current capitalism, only the financial risk of investors is deemed sufficient to merit a claim on residual profits.

This profit distribution model of current capitalism is so ingrained that too few people notice it, let alone interrogate it. Instead, too many policy debates start after profits have been allocated in the first place.

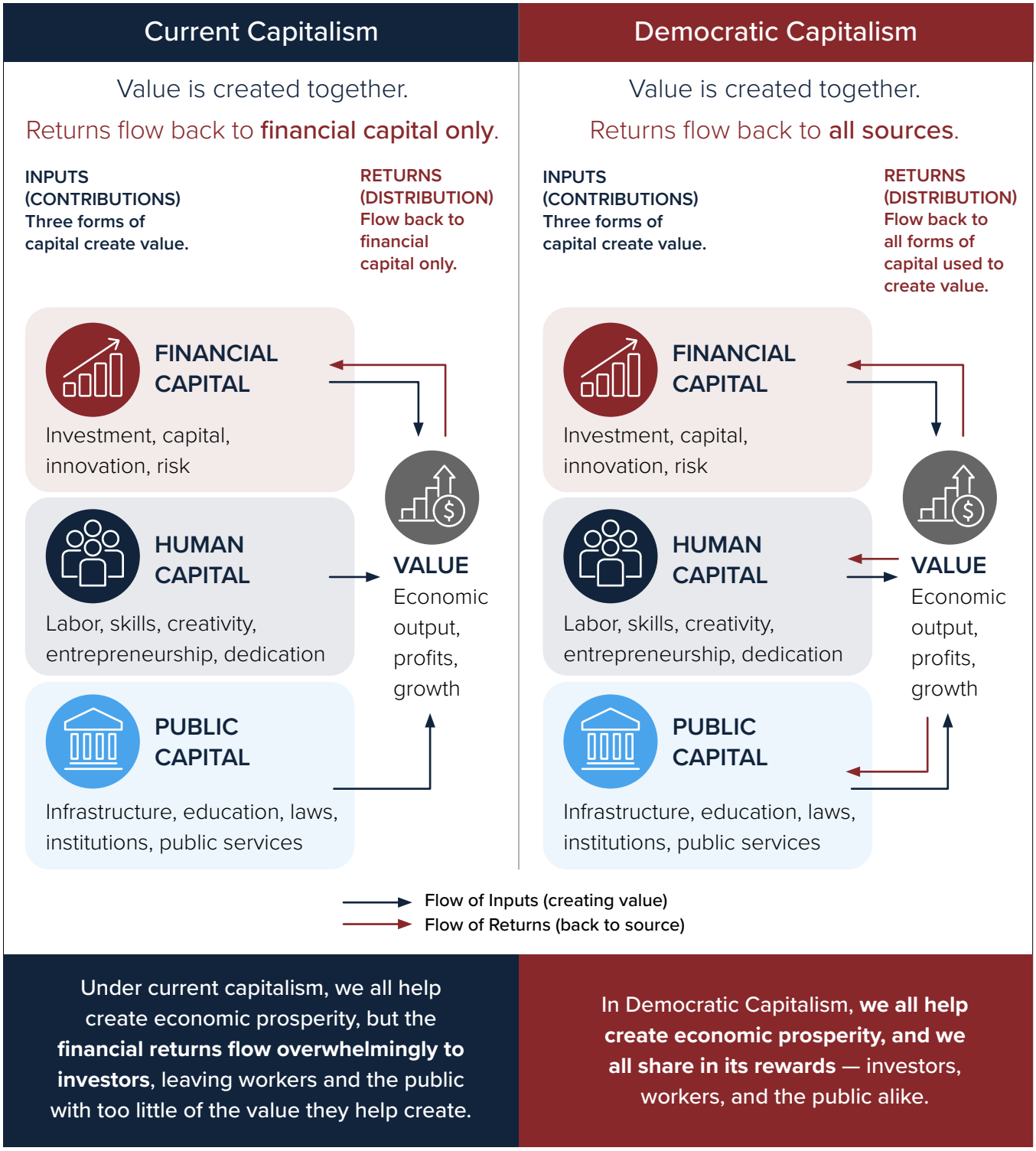
The result is that debates on economic reform act as if investors' claims on profits are sacrosanct; and that the primary tool decision-makers have to ensure greater economic equality is to use the tool of taxation to claw back those profits and distribute them more equitably.

But what if instead of simply fighting about how to take back profits and redistribute them, we also stepped back and questioned whether profits have been allocated the right way in the first place? Such a question has three key dimensions:

- An economic dimension because it seeks to accurately define whose capital contributes to profits and therefore whose capital contributions should be rewarded with the resulting profit claims.
- A moral dimension because it asks who *should* benefit from prosperity.
- A political dimension because it asks who should have the power to determine how prosperity is shared.

A CALL FOR A MORE DEMOCRATIC CAPITALISM

What if we explored a different model for capitalism — one that would more accurately and honestly return profits to all the sources of capital that helped create them? What if instead of a capitalism that allowed only investors to have a claim on profits, we had a more Democratic Capitalism, one in which investors, workers, and the public all had legitimate claims on profits? This is not simply an economic model. It is an economic, political, and moral frame for thinking about who has a right to share in American prosperity.


Current Capitalism
Value is created together.
Returns flow back to financial capital only.
INPUTS (CONTRIBUTIONS) Three forms of capital create value.
RETURNS (DISTRIBUTION) Flow back to financial capital only.
FINANCIAL CAPITAL
Investment, capital, innovation, risk
HUMAN CAPITAL
Labor, skills, creativity, entrepreneurship, dedication
PUBLIC CAPITAL
Infrastructure, education, laws, institutions, public services
VALUE
Economic output, profits, growth
Democratic Capitalism
Value is created together.
Returns flow back to all sources.
INPUTS (CONTRIBUTIONS) Three forms of capital create value.
RETURNS (DISTRIBUTION) Flow back to all forms of capital used to create value.
FINANCIAL CAPITAL
Investment, capital, innovation, risk
HUMAN CAPITAL
Labor, skills, creativity, entrepreneurship, dedication
PUBLIC CAPITAL
Infrastructure, education, laws, institutions, public services
VALUE
Economic output, profits, growth
Flow of Inputs (creating value)
Flow of Returns (back to source)
Under current capitalism, we all help create economic prosperity, but the financial returns flow overwhelmingly to investors, leaving workers and the public with too little of the value they help create.
In Democratic Capitalism, we all help create economic prosperity, and we all share in its rewards — investors, workers, and the public alike.

This does not mean that profits would necessarily be equally distributed among investors, workers, and the public. Although it could mean that. It would mean instead that the three primary inputs of capital used to create value would all have enforceable claims to the profits they help produce. It supports a society that distributes prosperity more honestly and evenly.

Democratic Capitalism is not simply a framework to maximize payouts to workers and the public, although it can be used to help accomplish that. More equitable taxation laws, stronger public benefit spending, and more robust regulations eliminating the most egregious corporate behavior can — and should — also be used to increase payouts to more stakeholders. Democratic Capitalism is fundamentally about the narrative and the economic and legal frameworks that determine who has a claim on prosperity. Without evolving this underlying narrative and the economic and legal rules that flow from this, efforts to more equitably distribute payouts run the risk of collapsing against the brick wall of shareholder-centrism which, left unchanged, will never allow for a stable system of broader payouts.

Alternatively, Democratic Capitalism reinforces the narrative that prosperity is built not just by and for investors, but by and for investors, workers, and the public. Public policies and business policies that flow from this purpose can become more equitable and beneficial to a broader set of constituencies. Taxation laws, government programs, and social services all become fairer to a broader set of stakeholders when we enshrine a public narrative that prosperity is built by and for all of us.

Furthermore, Democratic Capitalism distributes income and wealth more equitably across all value creators.

Finally, Democratic Capitalism ensures that power is exerted by investors, the public, and workers in greater balance. Unions and collective bargaining efforts attempt to reinforce this narrative in the current model, but a framework that more holistically insists workers and the public share claims with investors on the prosperity all three groups create can be even more powerful.

Alternatively, Democratic Capitalism reinforces the narrative that prosperity is built not just by and for investors, but ***by and for investors, workers, and the public.***

As a result, if we were to adopt Democratic Capitalism as a new model, we could more forcefully build up a narrative about what workers and the public deserve. Instead of limiting arguments for economic reforms based on what would be just, or compassionate, or beneficial to workers and the public (all of which have their place), we could make more robust arguments for economic policies based on the rights of workers and the public to share in the profits they help build.

This rights-based rationale is essential to getting over the hurdle on some of the most ambitious economic policy proposals. History suggests that voters will only come so far on big distribution ideas based on compassion or public benefit arguments alone. Rights-based arguments are often needed to help carry the day.

Jay Hammond, the Alaska governor who led the adoption of the Alaska Permanent Fund and its annual distributions (the PFD), saw this. He was able to convince Alaskans to support the PFD only when he argued that the state's natural resources belonged collectively to the people of Alaska and as such the people of Alaska had a right to benefit from them.[91] Today, by a "margin of 78% positive," Alaskans favor the annual permanent fund distribution payments. The belief that the program "belongs to *[and]* benefits the people" is the most common reason cited by Alaskans for protecting the program.[92]

Similarly, Social Security is one of the most popular government programs with three-quarters of Americans ranking it as among the "most important government programs."[93] Part of the support is grounded in the belief that Social Security is not a benefit but a right. "Social Security is not an entitlement…because it is something we paid for" is a common belief.[94] Or, as another recipient put it, "I paid into this annuity from the age of 18 until I was 65, and I am entitled to what I am paid. It is my money."[95]

Voters don't support the Alaska PFD simply because it helps Alaskans. Voters don't support Social Security only because the economic research suggests it strengthens the economy. They support these programs in large part because they are viewed as a right of the citizens who receive them. The examples of broad-based distribution programs such as the Alaska PFD and Social Security suggest that if proponents want to bolster the strongest support for redistribution or pre-distribution ideas, grounding such distribution as a right may be a critical piece of the puzzle. Democratic Capitalism is a clear model for getting there.

As was detailed in the previous chapter, our initial public research — public polling and deep community conversations — suggests voters are ready to consider a shift of current capitalism to Democratic Capitalism, one in which we build up and implement robust pre-distribution ideas, particularly for workers.

DEMOCRATIC CAPITALISM, DEMOCRATIC SOCIALISM AND STAKEHOLDER CAPITALISM

Depending on the audience, I am often asked whether Democratic Capitalism is just a form of "Democratic Socialism" or "Stakeholder Capitalism."*

I won't spend a great deal of time in this report spelling out the differences among these frameworks. In today's economy, their similarities matter more than their differences. Too often, the status quo is reinforced when reformers mire themselves in debates over small degrees of difference or over points of abstraction whose concrete impacts are negligible, at least in the short term.

All three models challenge the "shareholder supremacy" distortion of contemporary capitalism — seeing our economy and our society as stronger when workers, the public and others are more central in business decision making. Furthermore, all three espouse a deep commitment to a robust democracy with strong civil liberties. For these reasons, immediate-term policy proposals emerging from each of these frameworks are often compatible across all three frameworks. There is much room for those who support

* Both Stakeholder Capitalism (sometimes called shareholder capitalism) and Democratic Socialism are collectively determined concepts. As such, there is no single authoritative text to define each. For purposes of this report, I rely on Klaus Schwab and Peter Vanham's *Stakeholder Capitalism: A Global Economy that Works for Progress, People, and Planet* (Wiley 2021) to frame the Stakeholder Capitalism belief system. I rely on both Bhaskar Sunkara's *The Socialist Manifesto: The Case for Radical Politics in an Era of Extreme Inequality* (Basic Books 2019) and the Democratic Socialists of America website (*www.dsausa.org*) accessed on August 12, 2026 to frame the Democratic Socialists' views.

Democratic Socialism, Democratic Capitalism, and Stakeholder Capitalism to support each other's short-term policy aims.

In the long run, the largest difference among the three lies in the role of investors — or owners of financial capital — in a future economy. In the short run, the largest difference centers around who will hold economic power.

Democratic Socialism works toward a future economy where the means of production and distribution are controlled by workers and the public through democratic means, not through a separate class of investors. In other words, Democratic Socialists work toward limiting the power of corporations and the financial capitalists who control them.

Stakeholder Capitalism works toward a future economy where investors voluntarily work toward the benefit of a broader set of stakeholders and invite a broader set of stakeholders to the decision-making table. Stakeholder Capitalism believes that investors who consider more stakeholders and allow more stakeholders in are more productive, less open to risk, contribute to more stable societies, and are therefore more profitable. In the short run, stakeholder capitalists support the power of corporations in the economy and seek to persuade their shareholders and managers to voluntarily adopt the principles of Stakeholder Capitalism as a way to enable greater profitability.

Democratic Capitalism believes that while investors play an important role in our economy, their right to sole claims on residual profits (and the power that comes from those claims) must be replaced by a broader set of claims by workers, the public, and investors on profits (and a more equitable share of the economic and political power that comes from that). Democratic Capitalism asserts that the benefits of capitalism — such as growth, innovation, and flexibility — are best realized when economic and legal systems protect profit claims by a broader swath of contributors, not just investors.

Three Economic Models Compared

	DEMOCRATIC SOCIALISM	DEMOCRATIC CAPITALISM	STAKEHOLDER CAPITALISM
Who should have ultimate claims on profits?	Workers and the public	Workers, the public, and investors	Investors
What should the primary driver of change be?	Laws and political power	Laws and political power	Persuasion and voluntary adoption by shareholders
What should the ultimate goal be?	The elimination of capitalism in favor of a socialist economy supported by a robust democracy.	A capitalism in which workers, the public, and investors have equally backed claims on profits and a more equitable distribution of economic and political power that flows from this.	A shareholder-driven capitalism that is more responsive to the needs and demands of multiple stakeholders.

Source: Reimagining Capitalism Lab

EXPLORING HOW TO PUT DEMOCRATIC CAPITALISM INTO PRACTICE

There are many tools for bringing about Democratic Capitalism. **Building a public narrative** about who deserves to share in the prosperity we build in this country through story and media coverage is essential.

Strengthening unions and leveraging the power of collective bargaining so that workers can claim their rightful share of the wealth they help build is another key avenue. After all, unions are one of the strongest tools we have for workers to bring about their rights under Democratic Capitalism.

Finally, using democratic power to **change the policies**, rules, and regulations governing capitalism is essential. Fleshing out specific policy proposals that are both feasible and popular with a broad base of voters might help us envision a possibility of Democratic Capitalism. In short, what might it look like to begin putting this model — or the spirit of this model — into effect? We dive into this in **Section 6**. These policies serve as an introduction to the types of policies that could be developed consistent with Democratic Capitalism. Each of these policies merits the collaboration of community groups, labor unions, academics, policy architects, public leaders, and business executives to help refine and implement them appropriately.

But stepping back, even if thoughtful leaders reject the analysis and recommendations in this section, I hope they join me in asking two essential questions about our current capitalism:

1. Should investors be the only source of capital who have a claim on profits?
2. When we look at the rise of economic inequality and its documented harms, is the American economy, our society, or our democracy as strong as it could be when investors are the only sources of capital who own a stake in profits?

Whether readers ultimately embrace or reject Democratic Capitalism, I hope they seriously grapple with the questions it raises. If we hope to have an economy that is more prosperous, more democratic, and more resilient, we cannot avoid asking a foundational question: Who has a rightful claim to the prosperity we create together?



KEY POINTS

- Today's economy recognizes financial capital's claim on profits, while largely excluding comparable claims by the workers and public institutions that help create them.
- Who has a claim on profits helps determine who shares in prosperity, who holds economic and political power, and ultimately whom our economy is built to serve.
- Democratic Capitalism asks whether the people and institutions that help create prosperity should also share more directly in its rewards.
- The challenge is not simply to redistribute prosperity after it is created, but to rethink who has a rightful claim to it in the first place.

THE QUESTION THIS INVITES US TO ASK

If Democratic Capitalism is an integrated framework for strengthening our democracy and bolstering our economy, how might we translate that framework into concrete public policy? What specific policies could begin to bring Democratic Capitalism to life — and how might they work?

Bringing Democratic Capitalism to Life



KEY TAKEAWAY:

Democratic Capitalism comes to life through three waves of policy:

1. Tie worker pay to executive pay.
2. Ensure workers share in the profits they help create.
3. Ensure communities share in the prosperity they help make possible.

INTRODUCTION

As a moral, political, and economic framework, Democratic Capitalism has the power to strengthen economic growth, make communities healthier, and bolster our democracy. Helping to change the public's narrative about who deserves to share in American prosperity is important to bringing about Democratic Capitalism. Strengthening union power is critical in giving workers the tools they need to secure their claims to the profits they help create.

New policies — creating new rules for businesses and the market — that embody Democratic Capitalism are also essential. A foundational problem in our current economy is that workers and the public help create value but our rules give them comparatively weak claims on the prosperity they help build. Policies that strengthen the claims of workers and the public aren't simply interesting inequality interventions — they respond to the diagnosed structural problem.

To identify policies that might bring about Democratic Capitalism and are both feasible and broadly popular, I brainstormed a list of potential policies with experts. I then tested the policies in the field during our community conversations. Finally, I used our statewide survey tool to ascertain the overall popularity of each idea, and to determine how broadly popular ideas were across geographic, partisan, racial/ethnic, income level, and many other lines. The result is a set of five high-impact policy ideas that inspire strong initial enthusiasm among a broad set of voters. These ideas can be grouped into three primary waves of policies.

Proposing these policy proposals as waves is not meant to suggest a linear model. For example, Wave 1 policies need not necessarily be implemented before Wave 2 policies. Various states and communities may be more ripe for certain policy proposals or waves than others. We begin with Wave 1 policies which are more immediately feasible and meet with stronger initial enthusiasm among voters. We move toward Wave 3 policies that involve more technical complexity and while they meet with voter enthusiasm, they could be strengthened before the ideas are adopted.

It is worth calling out that these are not the only policies that reinforce the spirit of Democratic Capitalism. For example, efforts to increase unionization rates, raise minimum wage standards, and promote community wealth building all operate well within a Democratic Capitalism framework. The ideas below represent strong and popular initial efforts to move toward a more democratic capitalism.



AN INVITATION FOR COLLABORATION, NOT A FINAL POLICY AGENDA

In this section, we present a policy atlas to introduce readers to the possibilities for each wave. Thoughtful leaders, academics, and policy architects will undoubtedly identify others. And current policy ideas in the marketplace may also be bolstered by applying a Democratic Capitalism lens to their framing. These ideas are lifted up in this report because they capture the spirit of Democratic Capitalism well while simultaneously sitting at the intersection of feasibility and strong public support.

The ideas are previewed in this section. Further details are outlined in tables in **Appendix 2** which provides anticipated critiques, further research questions, expected impacts and other details. There is much more research, design, and collaborative engagement needed to refine these initial ideas. We invite academics, policy experts, labor leaders, and community organizations to collaborate to build out and explore these possibilities in their respective contexts. In short, these policy ideas are presented as a jumping-off point and an invitation for further exploration, dialogue, and research.

1 WAVE 1: Workers Deserve Compensation Linked to the Value They Help Create

The most popular and in many contexts the most feasible policy proposals consistent with Democratic Capitalism are laws that require that the amount and structure of worker pay — particularly frontline worker pay — be tied to that of CEOs and senior executives' pay. Two such ideas rise to the top.

Relative Minimum Wage

The Current Challenge: As we saw in **Section 3**, between 1980 and 2022, real income growth for the bottom half of American workers has been only 13% while the Top 1% of American earners saw income growth of 256%. This is most clearly captured by CEO pay. Over the past 50 years, CEO pay has become increasingly disconnected from worker pay. In 2024, the median compensation for CEOs of S&P 500 companies was over 1,100x the federal minimum wage.[96] Rising wage disparities at this level threaten a strong democracy, robust economic growth, and a healthy community.

The Policy: In addition to an absolute minimum wage (e.g. $25/hour), establish a relative minimum wage requiring that every business pay its lowest-paid worker at least 1/100th of what they pay their highest-paid worker.

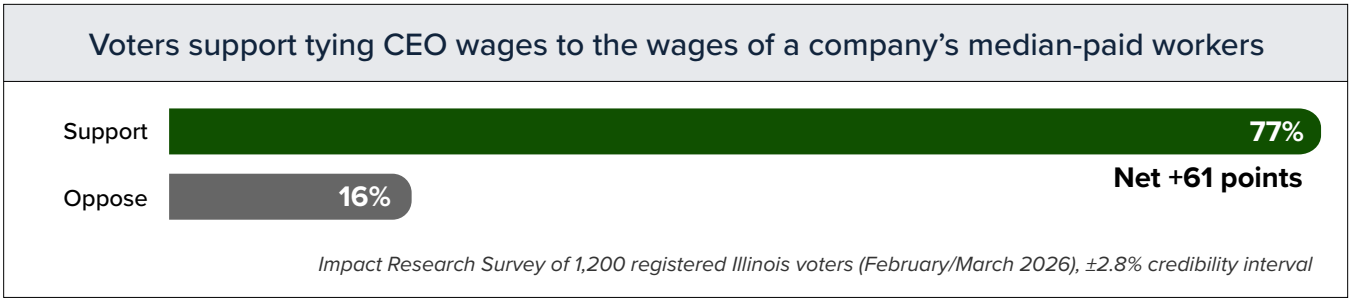
States and the federal government already have the legal authority to set a minimum wage. In addition to setting an absolute minimum wage, they can use that authority to set a relative minimum wage. We propose a 1/100th minimum wage as a strong starting point due to its ability to raise worker compensation at any firm that pays its CEO at least $3 million (100x a $15/hour minimum wage) and its potential messaging resonance.

A relative minimum wage reinforces a narrative essential to Democratic Capitalism — workers should have a right to share in the prosperity they help build. Tying worker pay to CEO pay not only has the chance to increase worker pay and decrease income inequality, it strengthens the public narrative about workers' rights to share in the profits they help create.

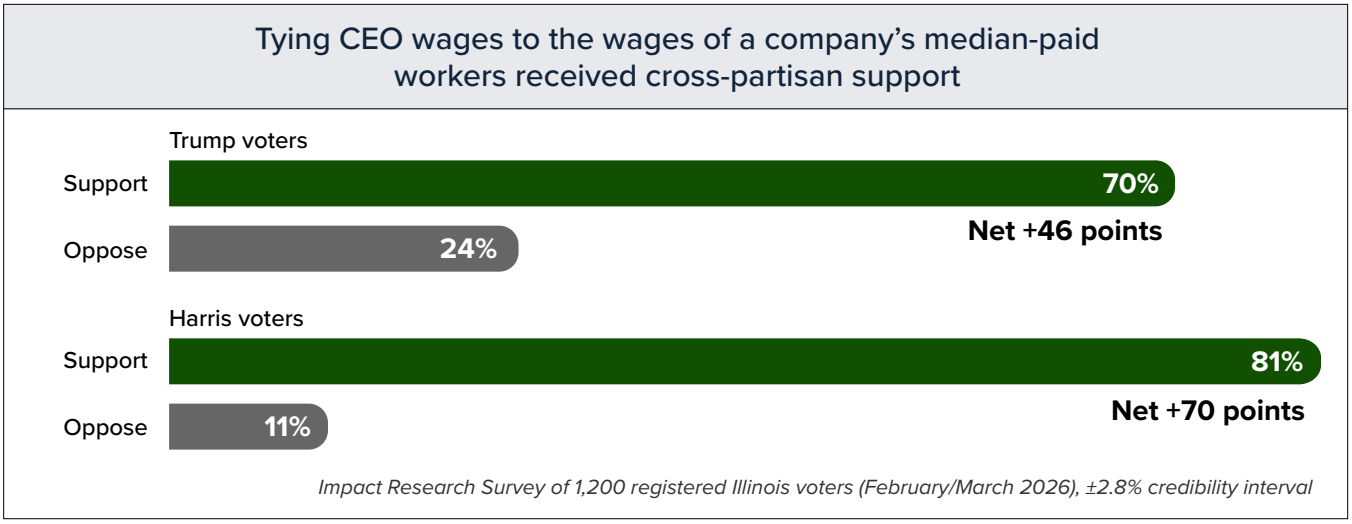
The implicated workforce would be massive. Estimates from the Economic Policy Institute suggest that nearly 30 million workers work in publicly traded companies whose CEO makes more than 100x the median worker.[97] When we extend this to include privately held companies and other enterprises as well as to companies where the CEO makes more than 100x the lowest-paid worker (data which is much harder to come by), we can only imagine how many tens of millions of workers could be impacted by such a law if adopted nationally.

The Principle: When a business succeeds, all workers who provide the necessary human capital should share in that prosperity, not simply those at the top or those with the closest relationships to the sources of financial capital (the investors).

Public Support: Initial enthusiasm among voters begins quite high. We asked voters whether they supported "tying CEO pay to worker pay so that workers must earn a certain percentage of what the CEO earns — and if CEO pay goes up, worker pay goes up as well." The response was overwhelmingly positive.



77% of voters supported tying CEO wages to those of the median-paid workers, with net agreement of +61 points. This support was strong across the partisan divide with four-fifths of Harris voters supporting and over two-thirds of Trump voters supporting.



Potential Next Steps: In states with preexisting strong minimum wages, coalitions of labor unions and community groups should partner with philanthropy and public leaders to explore whether a relative minimum wage is ripe for consideration in their states. These emerging coalitions should collaborate with academics and policy experts to conduct further research and develop model legislation.

Shared Ownership Pay

The Current Challenge: In a review of 2023 CEO compensation among the 3,000 largest publicly traded companies in the U.S., for every $1 that the average CEO received in base salary, they were paid over $6 in company equity (full value shares and options).[98] Yet most workers aren't paid this way.

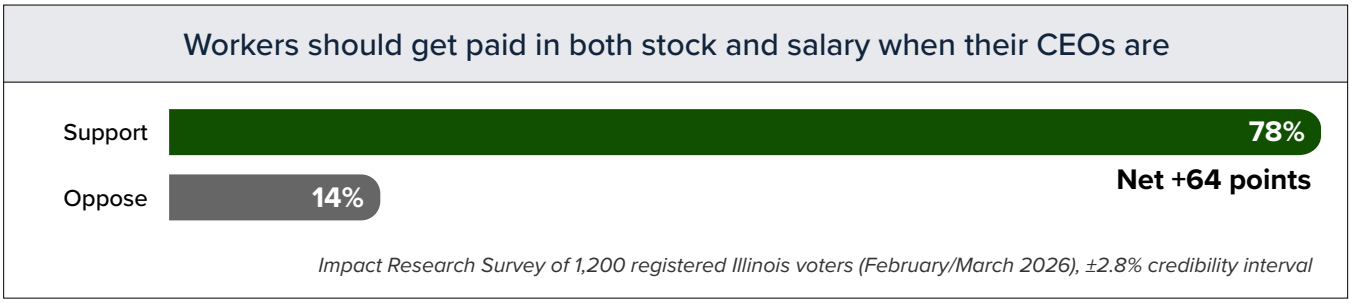
The Policy: Whenever a business pays top executives in both salary and equity, they must pay frontline workers similarly in a combination of salary and equity.

Using the state or federal government's authority to set wage standards (e.g. minimum wages, prevailing wages), governments can require that when equity is issued as compensation to the top executives, it should be issued to all workers.

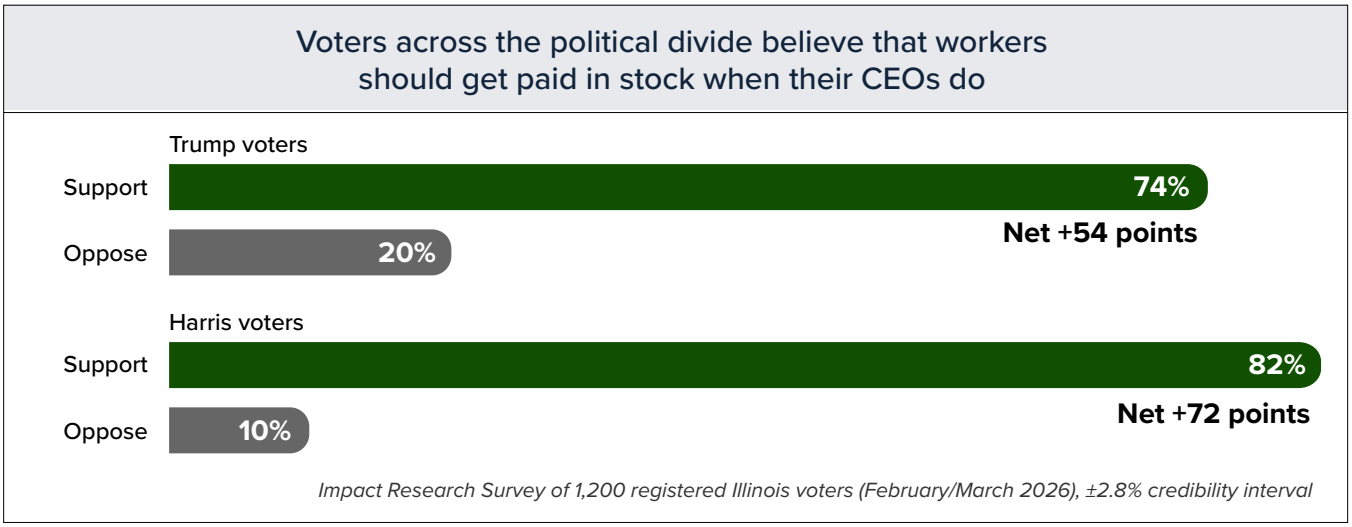
With an estimated 42 million Americans working at publicly traded companies alone,[99] not to mention employees of privately held companies that pay their CEOs in equity, a Shared Ownership Pay law has the potential to increase both the compensation and equity ownership of tens of millions of American workers.

The Principle: Workers who receive equity in a firm share in the profits they help build. Many businesses already recognize the value of this principle when seeking to incentivize and compensate top executives. Extending this principle to all workers helps align incentives for all contributors of human capital and increases the distribution of profits to all workers who help make those profits possible. All workers — not just top management — who help create value should have a claim on the profits they create.

Public Support: Support for Shared Ownership Pay starts high. When voters were asked whether they supported "requiring companies to give stock to workers as well as company leaders, so that every time a company gives its CEO and executives more stock, they give more stock to their workers as well," nearly 80% of voters expressed their support, with a net support of +64 points.



This broad-based support was mirrored across the partisan divide with three-fourths of Trump voters and four-fifths of Harris voters supporting the policy.



Potential Next Steps: Governments at the local, state, and federal level already have the authority to establish a minimum wage. Public leaders can collaborate with researchers, businesses, union leaders, and community groups to see how best to extend this minimum wage authority in their context. The policy table in **Appendix 2** outlines potential research questions to explore when designing this policy.

2 WAVE 2: Workers Deserve a Share of the Profits They Help Create

In addition to Wave 1 policies that more closely tie worker compensation to senior executive compensation, policies that increase profit-sharing among all workers, such as those outlined in Wave 2, should have a meaningful impact on driving more profit distributions to workers who help create those profits.

Worker Dividend

The Current Challenge: In 2023, US firms distributed $1.5 trillion in corporate profits to investors in the form of dividend payments and stock buybacks.[100] Yet only 18% of American employees "have some form of ownership stake in the company where they work,"[101] meaning most workers don't get any form of this profit distribution despite their role in creating these profits.

The Policy: When companies distribute profits to their investors in the form of dividend payments or stock buybacks, they must distribute some profits to non-managerial workers.

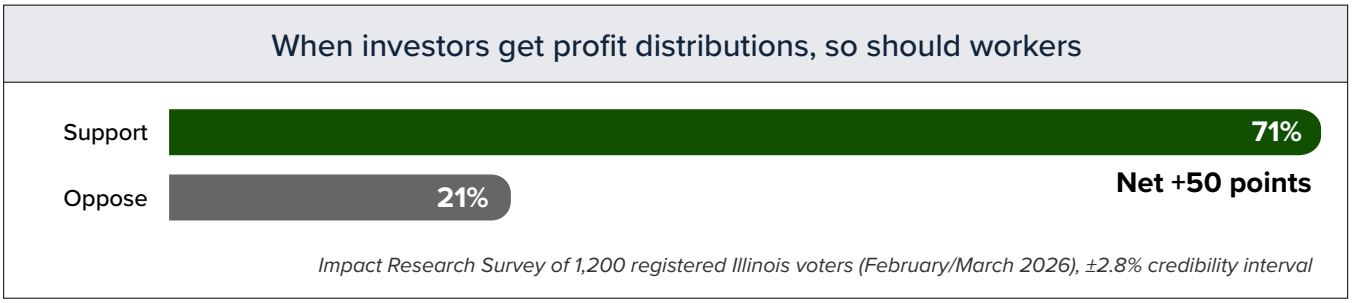
Dividend payments are largely governed by the federal Securities and Exchange Commission (SEC) or the state of incorporation (with over two-thirds of all Fortune 500 companies being incorporated in Delaware),[102] meaning options for states and communities are more limited here. Given that dividend payments are not wages per se, states and municipalities have fewer options to use their minimum wage authority to effect worker dividend payments.

But states in particular have a few options to incentivize these dividend payments including:

- Lowering corporate tax rates for corporations that issue worker dividends (or raise corporate tax rates for those that don't)
- Use incentives such as contract bid reductions on businesses contracting with a state government to issue worker dividends
- Use the shareholder power of public funds invested in the market to push individual corporations or sectors to adopt worker dividend corporate policies.

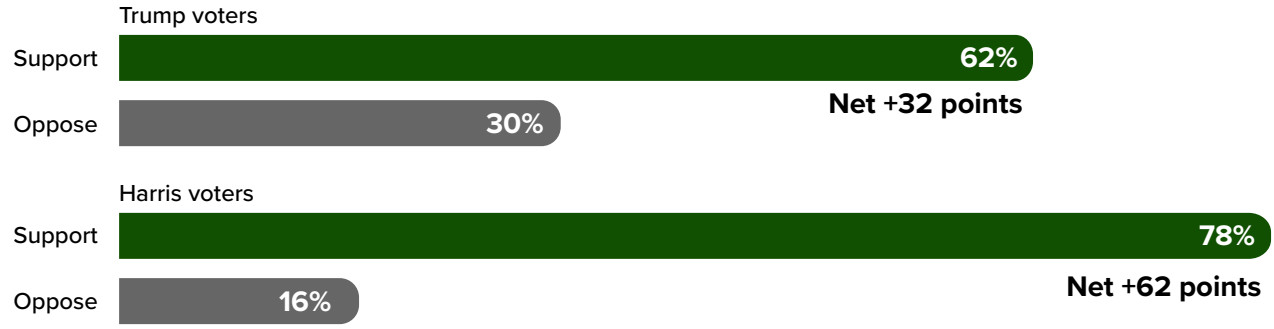
The Principle: Workers whose human capital makes profit possible should have a claim on the distribution of the profits they help build.

Public Support: Over two-thirds of voters favor the idea that when a company distributes profits to investors, they should also distribute profits to workers who helped make those profits possible.



As was the case with Wave 1 ideas, this concept received significant cross-partisan support.

Both Trump voters and Harris voters favor the idea of a Worker Dividend by wide margins



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Potential Next Steps: Economists, researchers, and lawyers can collaborate on how to create the legal frameworks at the state and federal level that would create a worker dividend requirement. Researchers could help determine how to structure and size the worker dividend pool in a manner which maximizes intended impacts while minimizing disruptions to investment incentives.

Increase employee ownership of firms

The Current Challenge: Despite the fact that nearly every business relies on human capital to turn a profit, only 18% of American employees "have some form of ownership stake in the company where they work."[103]

The Policy: States in particular should pursue a comprehensive suite of public policies to increase employee ownership in firms including: lowering corporate tax rates for employee-owned firms, implementing bidding preferences for employee-owned firms in government contracting, the creation and funding of revolving loan funds for employee-led acquisitions, education campaigns to increase the awareness of employee ownership among employees and retiring business owners, and grant funding for due diligence and technical assistance for employee-led acquisitions.

The Principle: When workers contribute their human capital to generate value in a firm, they should have a claim on some of the profits they help build. By merging the investor and worker inputs, financial and human capital can share jointly in the value they help create.

Public Support: By a 60-point margin, voters believe that if workers owned a larger share of big corporations, big corporations would be more focused on doing right by their people and America rather than just turning a profit at all costs.

If big corporations were owned by their workers, they would be more focused on doing right by their people and our country



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

Voters support policies to increase employee ownership of businesses



Impact Research Survey of 1,200 registered Illinois voters (February/March 2026), ±2.8% credibility interval

A strong majority of voters favor such ideas as tax incentives for employee-owned firms and contracting preferences for employee-owned firms.

Potential Next Steps: Public leaders at the state and federal level can contract with or partner with any number of organizations such as the National Center for Employee Ownership, Project Equity, Lafayette Square Institute, Ownership Works, the Aspen Institute's Economic Opportunities Program, the Institute for the Study of Employee Ownership and Profit Sharing at Rutgers University, among others to draft a comprehensive suite of policies to uplift employee ownership in their state or across the country.

3 WAVE 3: The Public Deserves a Share of the Profits They Help Create

A final wave of policies will enable the public to share directly in the profits their publicly owned goods help enable.

Businesses use three primary types of public capital to create value:

- Natural resources (e.g. our minerals, energy materials, sun, wind, and water)
- Public infrastructure (e.g. energy grid, transportation grid, public education)
- Inherited Systems (e.g. legal systems, financial systems)

In a market economy, when a business uses the wealth of any party (including the public) to create value, they must return part of the value to those owners. In this case, they must return part of their profits to the public. Programs such as the Alaska Permanent Fund and the distribution of gaming profits to members of Indigenous communities, like to the Eastern Band of Cherokee Indians, demonstrate how such concepts can work.

Citizen Dividend

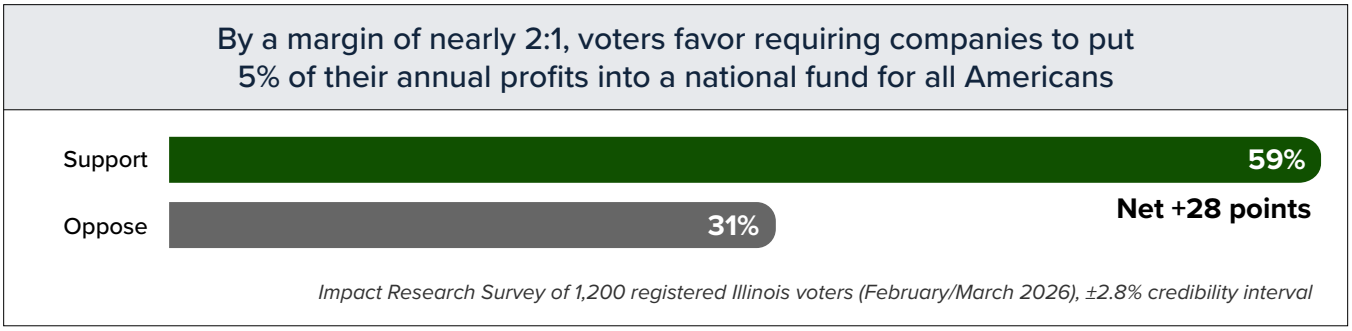
The Current Challenge: Members of the public do not get a share of most corporate profits, even though their co-owned wealth has been used to generate those profits. Even taxation as a way of compensating the public has dwindled over the past four decades. From the early 1940s to the late 1970s, corporate income tax revenue was over 2% of the GDP nearly every year. Since the early 1980s, corporate income tax revenue has been below 2% of GDP for most years.[104] Whether it be a claim on profits or compensation via taxation, the public is getting a smaller slice of the profits their wealth helps create.

The Policy: A percentage of business profits should be paid into a national fund that distributes an equal annual distribution payment to all citizens.

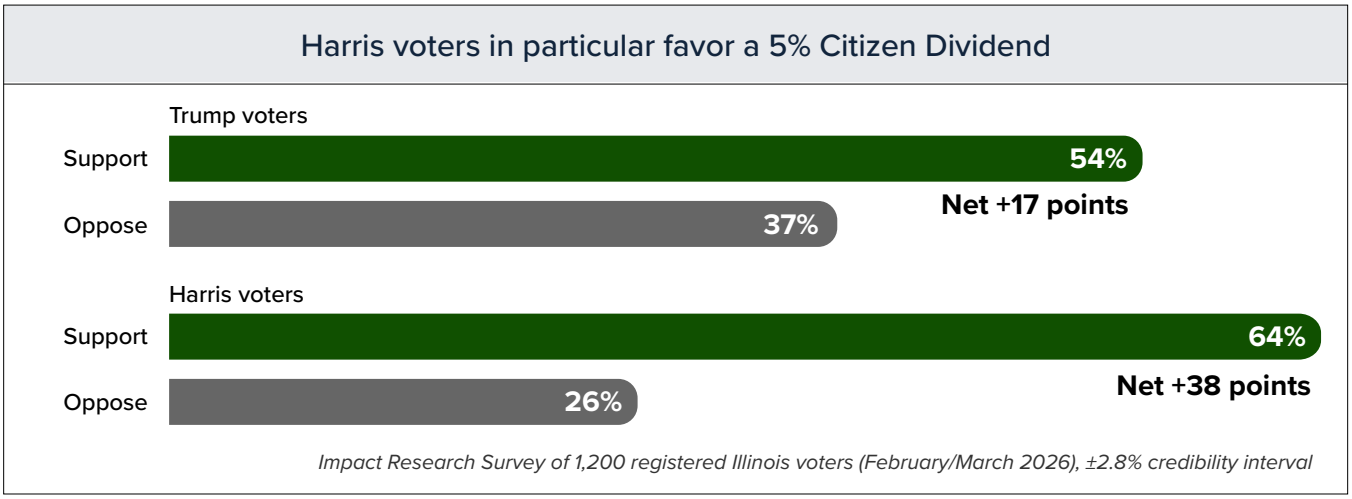
A narrowly tailored version of a Citizen Dividend that has been suggested has been around Artificial Intelligence. Scholars Jeremy Bearer-Friend and Sarah Polcz have proposed an "ownership structure that requires a one-time tax payment by generative AI firms in the form of equity."[105] Senator Bernie Sanders has proposed an American AI Sovereign Wealth Fund Act which would "give the public a direct ownership stake in the largest AI companies in our country."[106] Rationales for partial public ownership of AI companies vary, but often rely on similar arguments behind a Citizen Dividend. Since AI companies use our energy, our natural resources, our infrastructure, our public grant funding, and our public data to fuel their large language models, they owe the public a share in the profits the public's resources have helped build.

The Principle: The public invests collectively owned assets into every business. When those businesses turn a profit, a share of the value those assets create should be returned to the public.

Public Support: When asked if companies should be required to put 5% of their profits into a national fund that would pay each American a dividend payment each year, nearly 60% of voters favor the idea.



While both Trump and Harris voters favor the idea of a 5% Citizen Dividend by double-digit margins, Harris voters support the idea by a margin of more than 2:1.



Potential Next Steps: Policy leaders, academics, and community organizations may consider convening working groups or public discussion groups to explore whether building an education campaign or series of community town halls might build a community's readiness to explore this issue. Economists may work to help determine the size and structure of a citizen dividend in a way that could maximize intended benefits and reduce unintended consequences.

COMMON OBJECTIONS

While each of these policy ideas inspires a number of targeted objections, there are four objections which arise across the suite. Instead of tackling them piecemeal, I want to take the time to discuss them here.

"The policy isn't enough to fix our biggest problems"

One of the most common objections to any one of the policies in this section is that it won't solve the Basic Needs Crisis or Unfair Inequality Crisis inequality on its own. This critique is sometimes levied as a bid to focus on the critic's preferred policy solution not included here. Sometimes, it is offered as an acknowledgement that there are other structural problems in our economy that also must be addressed.

To be clear, none of the policy solutions in isolation will solve our country's Basic Needs Crisis or Unfair Inequality Crisis inequality. There is no such thing as a silver bullet to those problems. Nor does any one policy supplant the need to make additional structural changes.

But put together, these policies can help usher in a world in which workers, investors, and the public are all seen as the co-creators of wealth that they are. And when this narrative is locked in, we increase the likelihood that other structural reforms which benefit workers and the public can take hold.

Everyone will benefit from these policies. Some — like the private sector workers or local communities — will benefit more directly. Others — like government workers or workers in other settings — will benefit indirectly as household incomes rise (and the resulting consumption and tax revenue also rise).

Furthermore, we can walk and chew gum at the same time. We can link the wages of the lowest-paid workers to CEO wages and reform our tax code so that the highest earners pay their fair share of taxes. We can increase workers' ownership stakes in their businesses and reform our broken health care system.

We did not get to the current distortion of capitalism overnight or because of one policy decision. It will take time and a robust set of policy changes to get us out of this crisis.

"The policy will unleash too many unintended consequences"

I often confront a bias that the status quo is stable and that changes to it may bring too many disruptions too quickly. I am urged to go slow and to work out solutions to all the potential downsides and risks of change before implementing any new policy.

But, the status quo is not stable. As we saw in **Section 3**, between 1980 and 2022 the top 0.01% saw their income grow by 540% while the Bottom 50% saw their income grow by only 13%. Furthermore, we have seen that returns on financial capital have outpaced wage growth over the past few decades. Between 1978–2023, wages for all private sector workers grew by 24% (in 2023 dollars) while the S&P 500 grew by 1008%.[107] I am absolutely in favor of being thoughtful about implementing change and working hard to mitigate the risk of new policy solutions. But the risk of doing nothing is high as well. Each year that goes by with no structural reforms to our rising unfair inequality, the situation becomes more dire.

To be blunt, the alternative to taking our time is not the status quo. There is no such thing as the status quo. Due to compound interest, the disproportionate wage growth at the top, and the returns on capital outpacing wage growth, doing nothing means, to paraphrase Thomas Piketty, the past will devour the

future. The alternative to bold ideas is not some plodding along, but the breakdown of our economy and the rupturing of our democracy.

"These ideas can't be instituted on a state level"

The most common critique these ideas generate is that the real power of these policies would be with national implementation. Anything shy of that would be too limiting, or too risky to attempt on a state-by-state level.

The "national or bust" frame misses the mark on two key levels. First, it is a misread of the history of most bold policy changes across the country over the past few decades. In many areas, state-based changes have either been the field on which change has occurred or have operated as the critical proof-of-concept to inspire national change. Considering examples such as environmental regulation (think of the "California effect"[108]), labor changes (especially minimum wage laws), LGBTQ+ civil rights (16 states had taken action to make marriage equality legal before *Obergefell*[109]), and reproductive freedom (both expanding and restricting rights prior to and after *Dobbs*); state reforms have been the accelerant to broad-based and even national change. There are very few policy solutions of the magnitude proposed in this report that begin and end with a single national policy adoption.

Second, the data does not give much credence to concerns about the potential flight of capital or flight of labor if states adopt some subset of these solutions. It is critical to situate those concerns in the over 100-year pattern of businesses threatening to leave a state that increases regulation or the rights of workers. Whether it be laws outlawing child labor in the late 19th century, the formation of the 8-hour workday in the late nineteenth century, or the adoption of workplace safety standards in New York City following the Triangle Shirtwaist Fire, we can go back nearly 150 years to see a pattern of businesses suggesting they might leave en masse if pro-worker and pro-community standards are adopted. And they rarely do.

Increasingly, research data backs up the historical pattern. Bruce Carruthers at Northwestern and Naomi Lamoreaux at Yale outline how infrequent flights of capital are and how they are often more effective as a persuasion tool to limit potential regulations than as a descriptor of what will happen.[110] Arindrajit Dube, William Lester, and Michael Reich examined the impact of dozens of minimum wage changes over a 16-year period in over 500 counties and found that the impact on job losses was negligible.[111] In short, while individual businesses may in fact leave, increased wages or regulations almost never create the massive flights of labor and capital opponents predict.

"These ideas, particularly those in Wave 1 and Wave 2, will only accelerate investment in AI and the displacement of labor"

This critique is a version of a common critique I have heard over the years — and related to the concerns around flight of capital or labor. It is a version of "if you ask businesses to treat communities and workers better, they will leave." In the AI version, it is AI — not workers in other communities — who will take jobs.

Investors and businesses are not sitting on the sidelines trying to decide if they should invest in AI. In 2025, global corporate investment in AI was over half a trillion dollars.[112] No business I know of is arguing "if you let us compensate workers less, we will slow our investment in AI." Demanding less for workers from their employers in the hopes that it will delay AI's impact on the job market is likely a fool's errand.

A CALL TO BUILD DEMOCRATIC CAPITALISM TOGETHER

Depending on the sector, leaders in various roles could play a meaningful role in designing and implementing policy frameworks consistent with Democratic Capitalism.

Sector	Moving Forward
Academics and researchers	• Build out and test the research questions outlined in this section
Policy experts and public officials	• Assemble labor unions, community organizations, and business groups around these policies to see where the greatest appetite may be to design and implement some of these policy solutions.
Labor unions and community groups	• Build coalitions to explore designing and implementing some of these policy solutions where the interest and potential for impact is highest in the jurisdiction.
Media	• Insert data and context of rising inequality when covering timely news stories (e.g. when covering potential tax increases or new business regulation, weave in data on the rise of corporate profits or CEO pay) • Seek out labor unions and community groups experimenting with Democratic Capitalism ideas and cover those stories
Philanthropy	• Fund local organizations exploring early efforts on Democratic Capitalism • Review how your current funding priorities (e.g. education, violence reduction, environment, public health) are implicated by rising wealth and income inequality and develop funding strategies to respond to those

Democratic Capitalism represents a moral, political, and economic framework that could have meaningful impacts on multiple dimensions. Whether as a framework or through the policies outlined above, research suggests that Democratic Capitalism as a means to reduce income and wealth inequality could:

- Reduce the financial squeeze many American households are experiencing (the Basic Needs Crisis)
- Speed up GDP growth by ensuring that households with the highest marginal propensity to consume have more cash to put immediately into the economy
- Reduce the public health and social welfare costs of rising inequality
- Strengthen our democracy by reducing the relationship between inequality and democratic backsliding

When researchers and academics, public policy experts and leaders, labor groups and community organizations, members of the media, and leaders in philanthropy come together to draft and implement these bold ideas, we can strengthen our economy, our well-being, and our democracy.

AN INVITATION TO THINK BOLDLY TOGETHER

When I traveled the state to listen to voters in their homes, public spaces, and libraries, the first question I asked was, "Tell me about a time in recent memory when you were proud to be an American." The most common answer I got can be summed with the belief that America is a verb. It is standing up for our neighbors, each other, and the most vulnerable. It is taking care of each other. It is recognizing the essential dignity of our community members and fighting for that dignity. America is something we do for one another.

We *can* have an economy that embodies this fundamental American spirit, if we are willing to demand it. Our ancestors — from the revolutionaries to the enslaved men and women who led rebellions, from the Civil Rights marchers to the activists who led die-ins in the streets and the Capitol Crawl — were bold in their insistence that our country is strongest when we are all bound to each other in dignity and mutual respect. We can have an economy that lives out that fundamental belief.

> *America is a verb. It is standing up for our neighbors, for each other, and for the most vulnerable among us.*
>
> *It is taking care of one another.*
>
> *It is recognizing the essential dignity of every member of our community — and fighting for that dignity.*
>
> ***America is something we do for one another.***

We *can* be a nation that sets out a new and bold economic model: one that merges the economic power of capitalism, the political power of democracy, and the moral force of shared prosperity. Nothing could be more American than that. And it can be ours, if we are bold enough to build toward it together.

> *We* **can** *be a nation that sets out a new and bold economic model: one that merges the economic power of capitalism, the political power of democracy, and the moral force of shared prosperity.*

KEY POINTS

- **There are three types of policies that can begin to put Democratic Capitalism into action:** policies that tie worker wages to management wages, policies that distribute profits to more workers, and policies that distribute profits to more community members.
- **The policies outlined here are intended as a starting point** — not a finished blueprint. They are invitations for states, researchers, policymakers, labor organizations, businesses, and communities to test, refine, and improve new models of shared prosperity.
- **States have historically been America's laboratories for bold policy innovation.** Just as states helped pioneer advances in labor standards, environmental protections, civil rights, and other reforms, they can serve as proving grounds for Democratic Capitalism.
- **No single policy will solve inequality.** Lasting change will likely require a portfolio of complementary reforms that strengthen workers' claims to wages, profits, ownership, and the value created by public goods.
- **The alternative to reform is not stability.** If current trends continue, wealth and economic power will become increasingly concentrated among fewer people and narrower interests, placing greater strain on households, communities, markets, and democratic institutions.
- **The central question is no longer whether America can create prosperity.** It is whether we can build an economy in which everyone who helps create that prosperity has a meaningful opportunity to share in it.

ACKNOWLEDGMENTS

I am deeply grateful to Anat Admati, Sarah Anderson, Tonantzin Carmona, Lanae Erickson, Brian Fabes, Darci Flynn, Mae Hong, Priscilla Kersten, Andrea Kluger, Jennifer Camille Lee, Yung Bong Lim, Matt Lucky, Jasmine Payne-Patterson, and Gabriel Seidman for the generosity of their wisdom, insight, and feedback. *Beyond Affordability* was made stronger because of them.

I am especially grateful to the hundreds of Illinoisans who participated in community conversations across the state, and to the business leaders, academics, policy experts, labor and community leaders, public officials, and philanthropists who shared their experiences and expertise with me. Their willingness to challenge assumptions, surface tensions, and imagine different possibilities shaped this work throughout.

Finally, the work leading up to *Beyond Affordability* would not have been possible without Bob Reiter, Tim Drea, Pat Devaney, Jay Rowell, Andrea Kluger, and the teams at the Chicago Federation of Labor and the Illinois AFL-CIO. I am grateful for their partnership, their commitment to working families, and their belief in a bolder vision for America's future.

A NOTE ON THE USE OF GENERATIVE ARTIFICIAL INTELLIGENCE (AI) IN THIS REPORT

For this project, I experimented with using a custom artificial intelligence (AI) tool built within ChatGPT and grounded in my previous books, speeches, and writings to refine this project in a manner consistent with my own voice and writing style. The concept of Democratic Capitalism builds on the ideas originally advanced in my 2021 book *Our Fair Share*. The underlying research, polling, interviews, community conversation data, arguments, analysis, substantive drafting, and conclusions are my own. I used the AI assistant primarily to help refine arguments, enhance its visual presentation in advance of collaboration with the report's graphic designer Avila Creative, and identify a small number of potentially relevant research articles for my review. I reviewed and revised all AI-assisted material, consulted original sources before incorporating research, and made all final editorial judgments.

ABOUT THE REIMAGINING CAPITALISM LAB

The Reimagining Capitalism Lab is a policy and research hub that brings together community voice, rigorous research, and public opinion to identify bold solutions for reducing economic inequality that can earn broad public support. It is incubated at the Chicago Federation of Labor's Workforce and Community Initiative.

ABOUT BRIAN C. JOHNSON

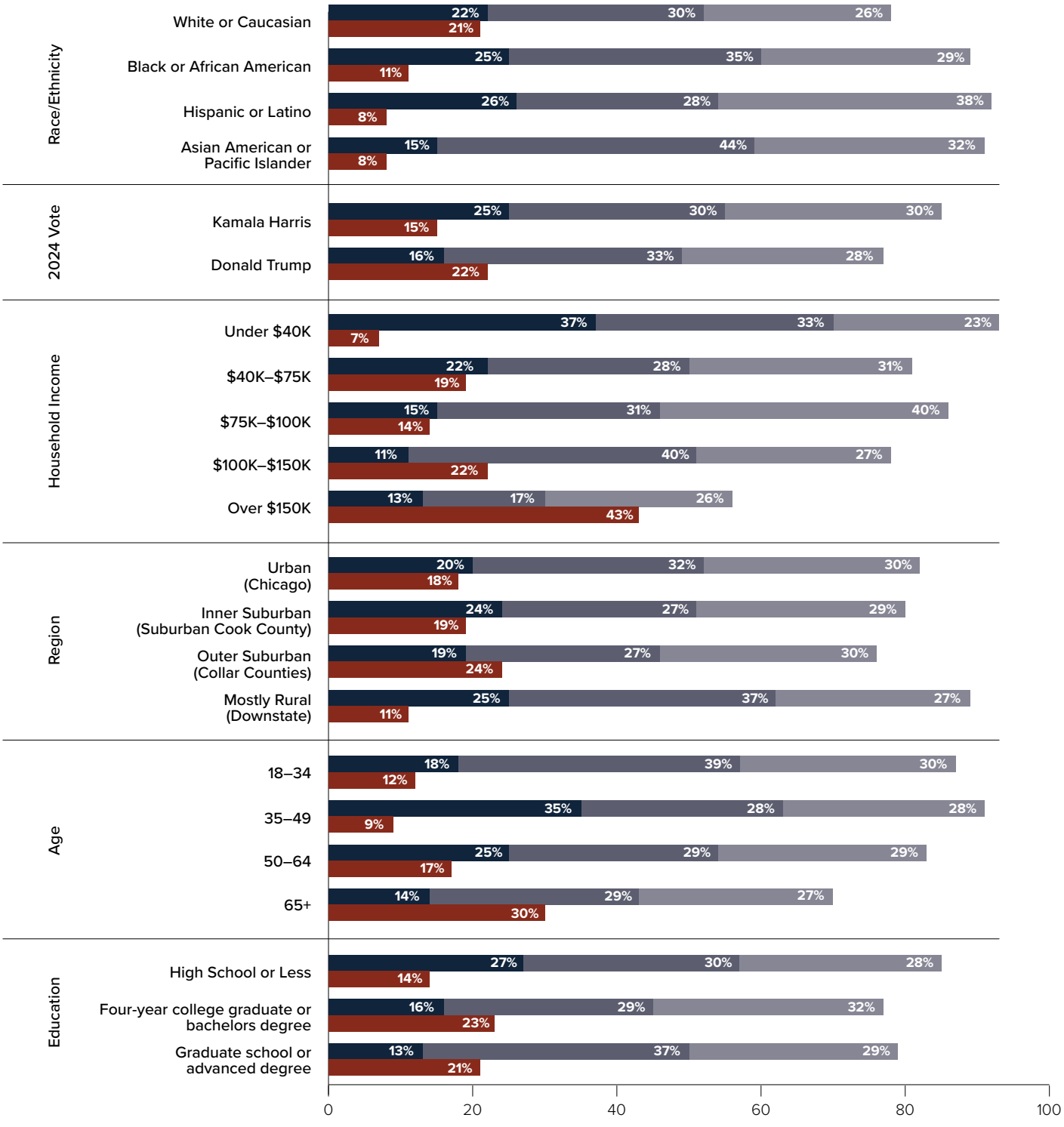
Brian C. Johnson is the Founder of the Reimagining Capitalism Lab. Prior to this role, he served as the CEO of Equality Illinois for nearly a decade, during which he led the passage of over 25 laws and regulatory changes to make Illinois one of the most queer-affirming states in the country. He has also led teams that have achieved policy wins for teachers, students, and families across the country from Los Angeles to Charlotte to Washington, D.C. He credits his first job as a first-grade teacher in Baton Rouge, Louisiana, with igniting in him the spark to fight to make sure that America lives up to her promises for all her residents.

Brian is the author of ***Our Fair Share: How One Small Change Can Create a More Equitable American Economy***, which the *Chicago Tribune* called "clear and compelling." He earned his AB *magna cum laude* from Princeton University, his JD from Stanford Law School, and his MBA from Stanford Graduate School of Business, where he was an Arjay Miller Scholar. He lives in Chicago with his husband and their eight-year-old daughter.

Brian can be reached at **bjohnson@cflinitiative.org**

Appendix 1: Polling Crosstabs

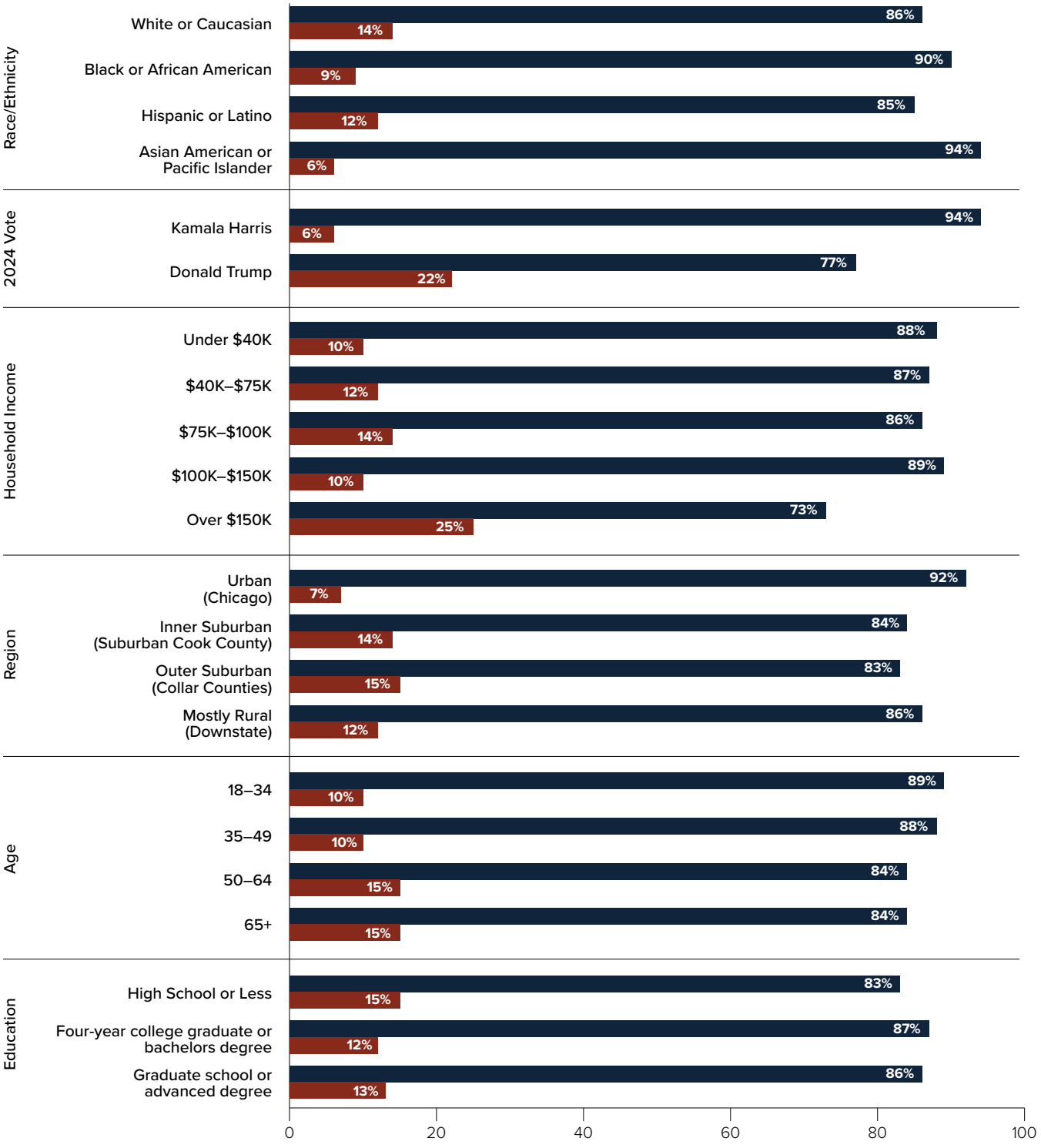
In the past 6 months, have you worried about affording the essentials you and your family need?



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

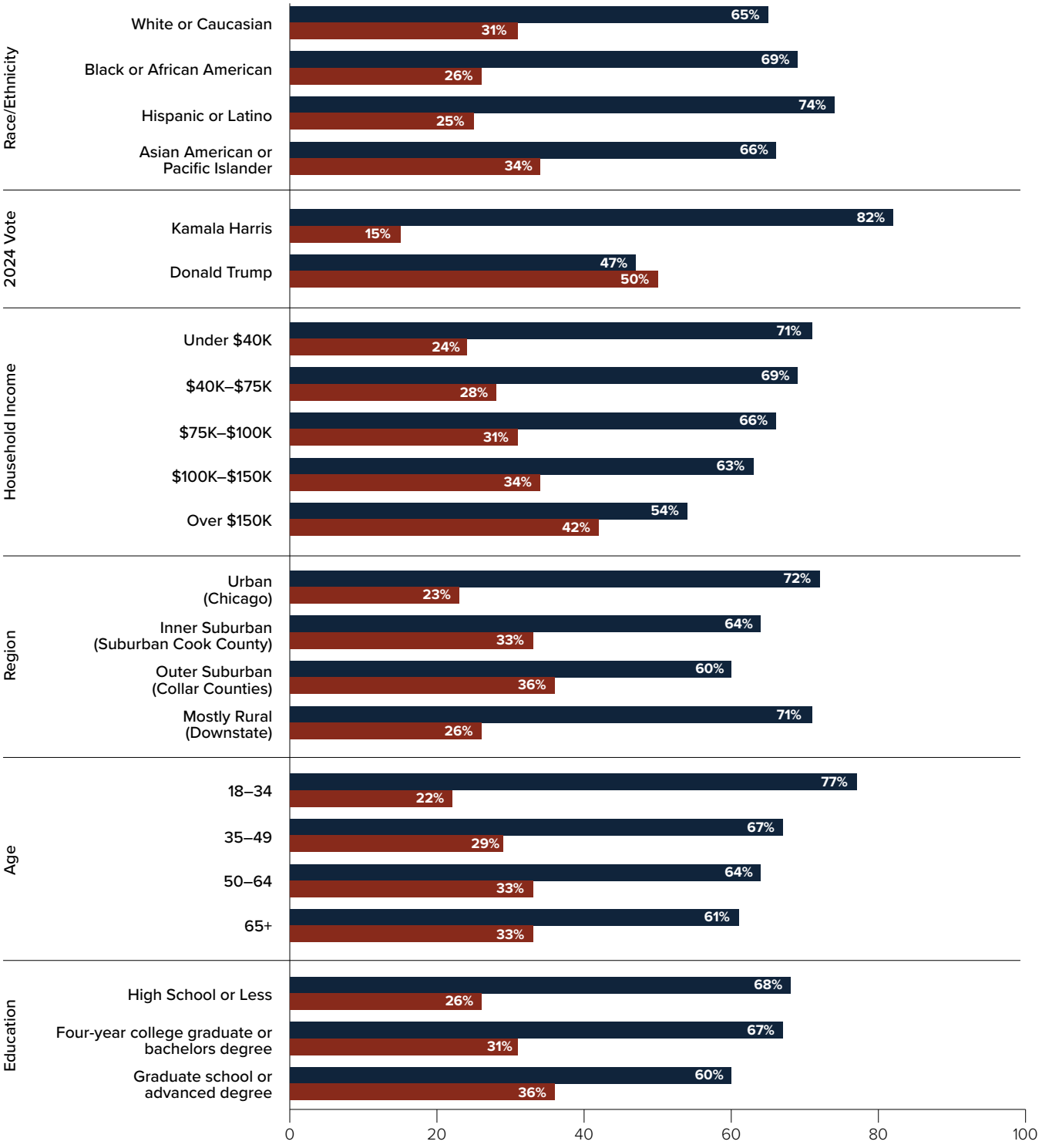
How concerned are you about economic growth that doesn't benefit everyone equally?



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

What comes closest to your point of view (about the Ultra-Rich)?



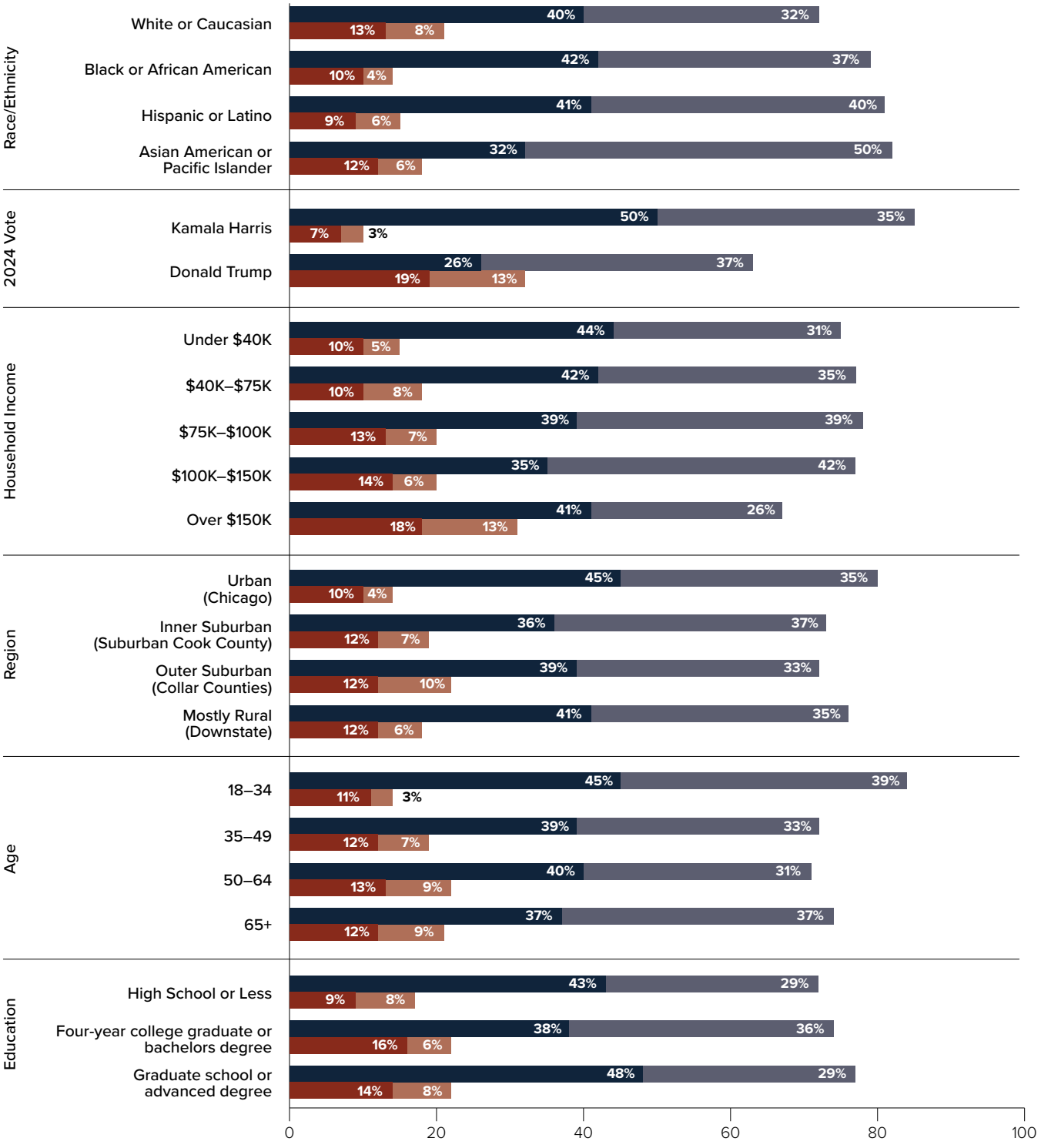
The ultra-rich earn way too much money today. Today's billionaires are earning too much at the expense of working people.

I am not that concerned with how much money the ultra-rich are making. They should be celebrated for being successful.

Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

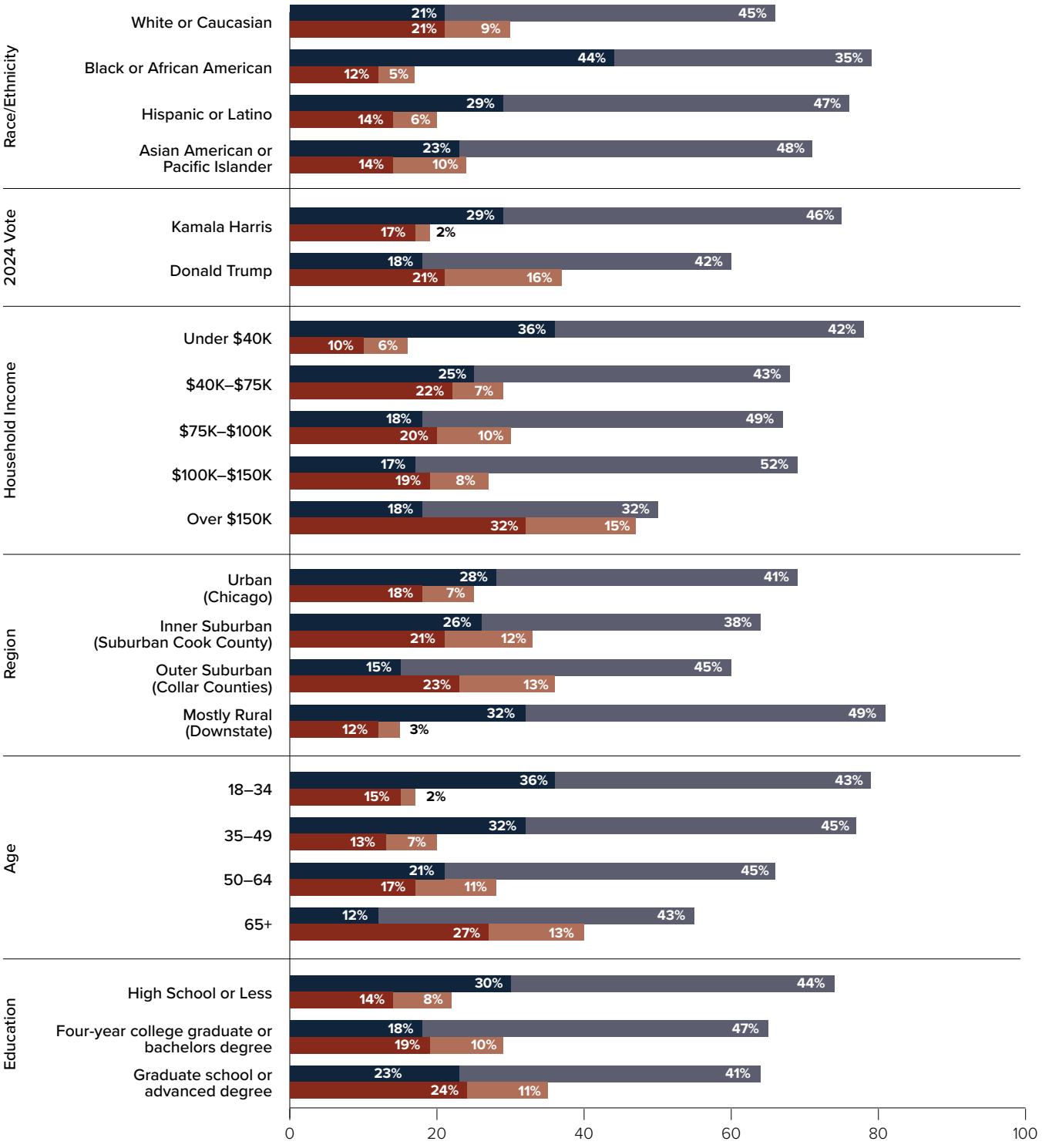
Capitalism [is] too focused on making a small number of people very rich.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

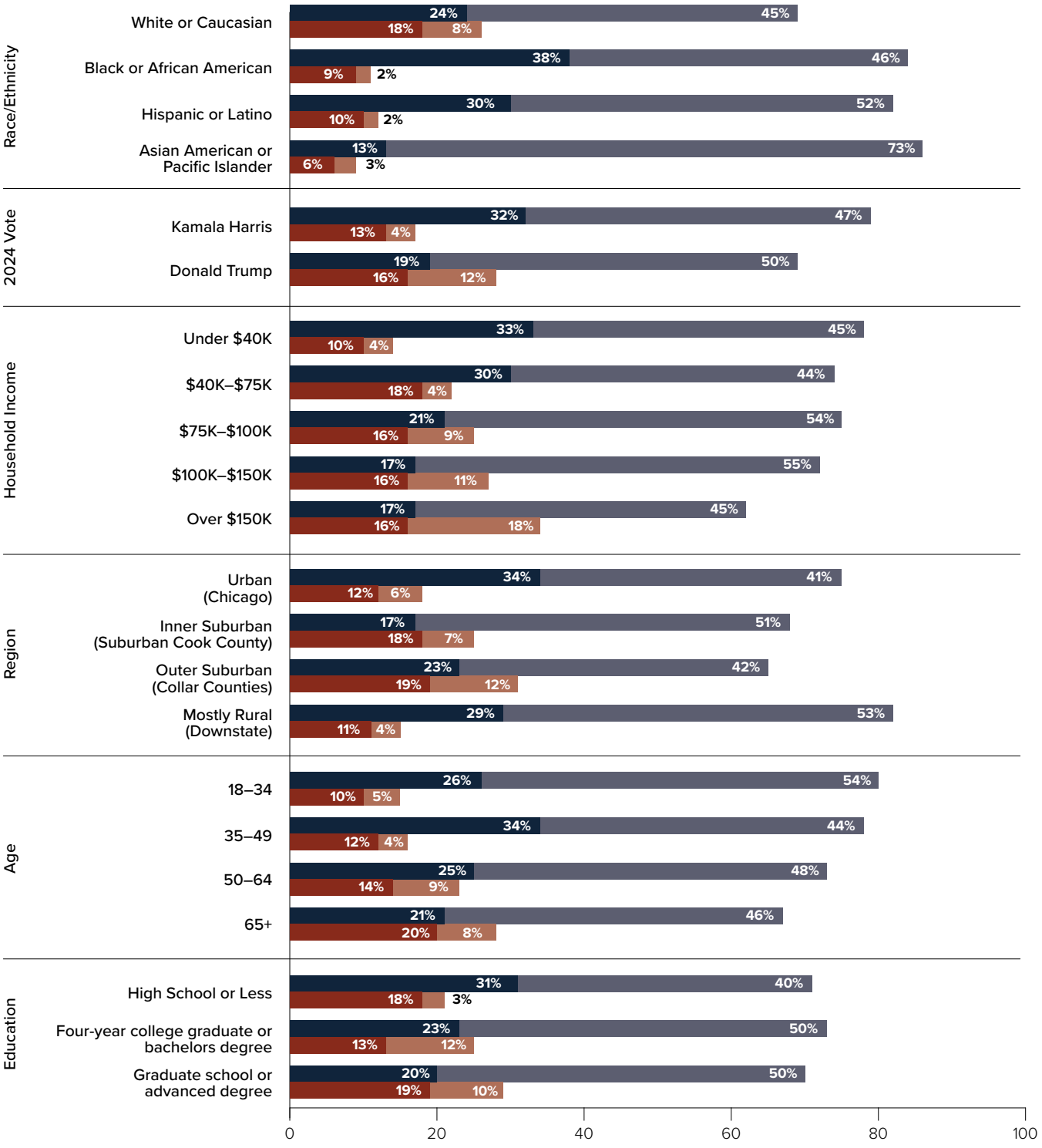
The economic systems in the country are stacked against people like me.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

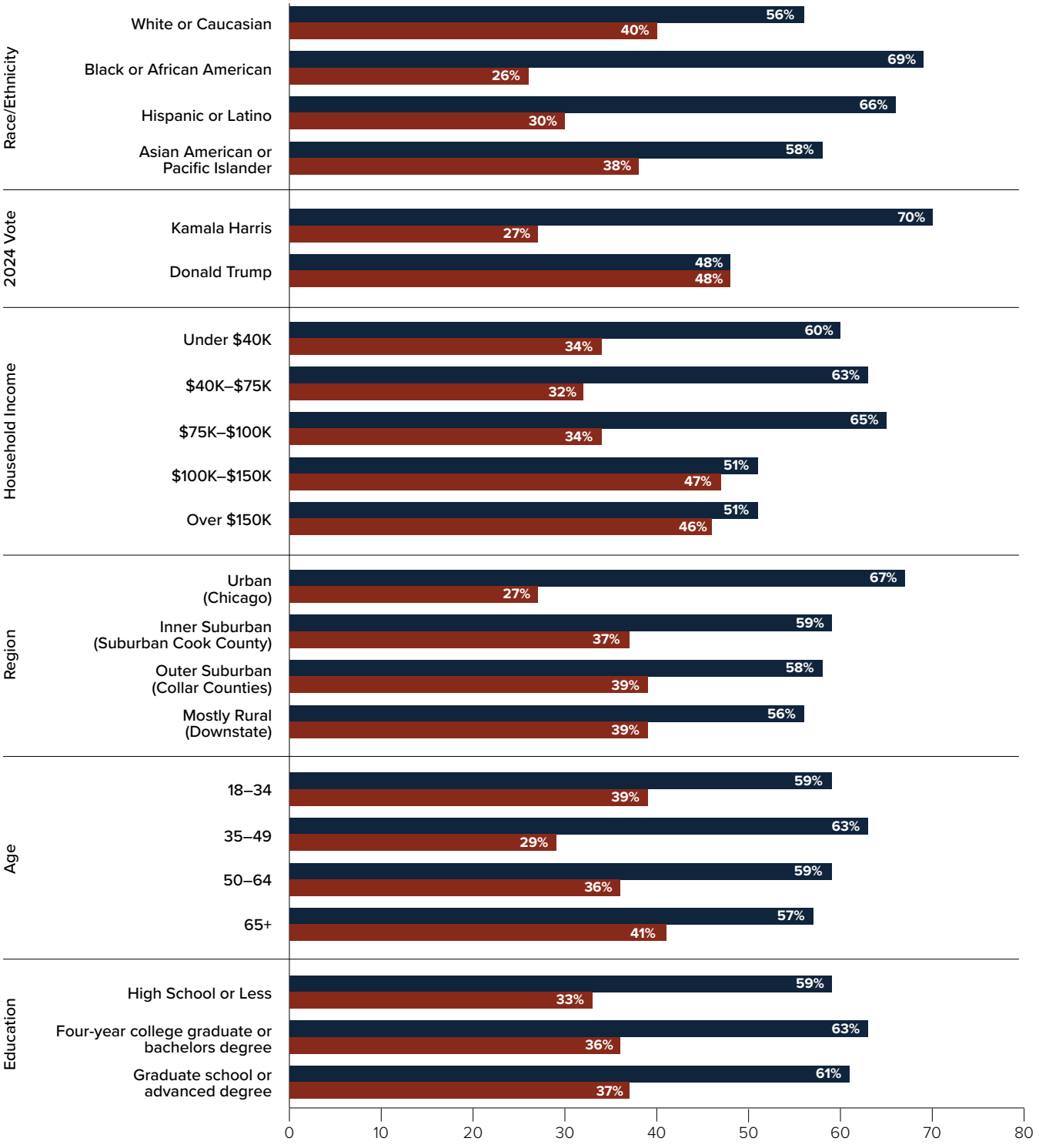
The political systems in the country are stacked against people like me.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

Which of the following comes closest to your point of view (about boldness in reducing inequality)?



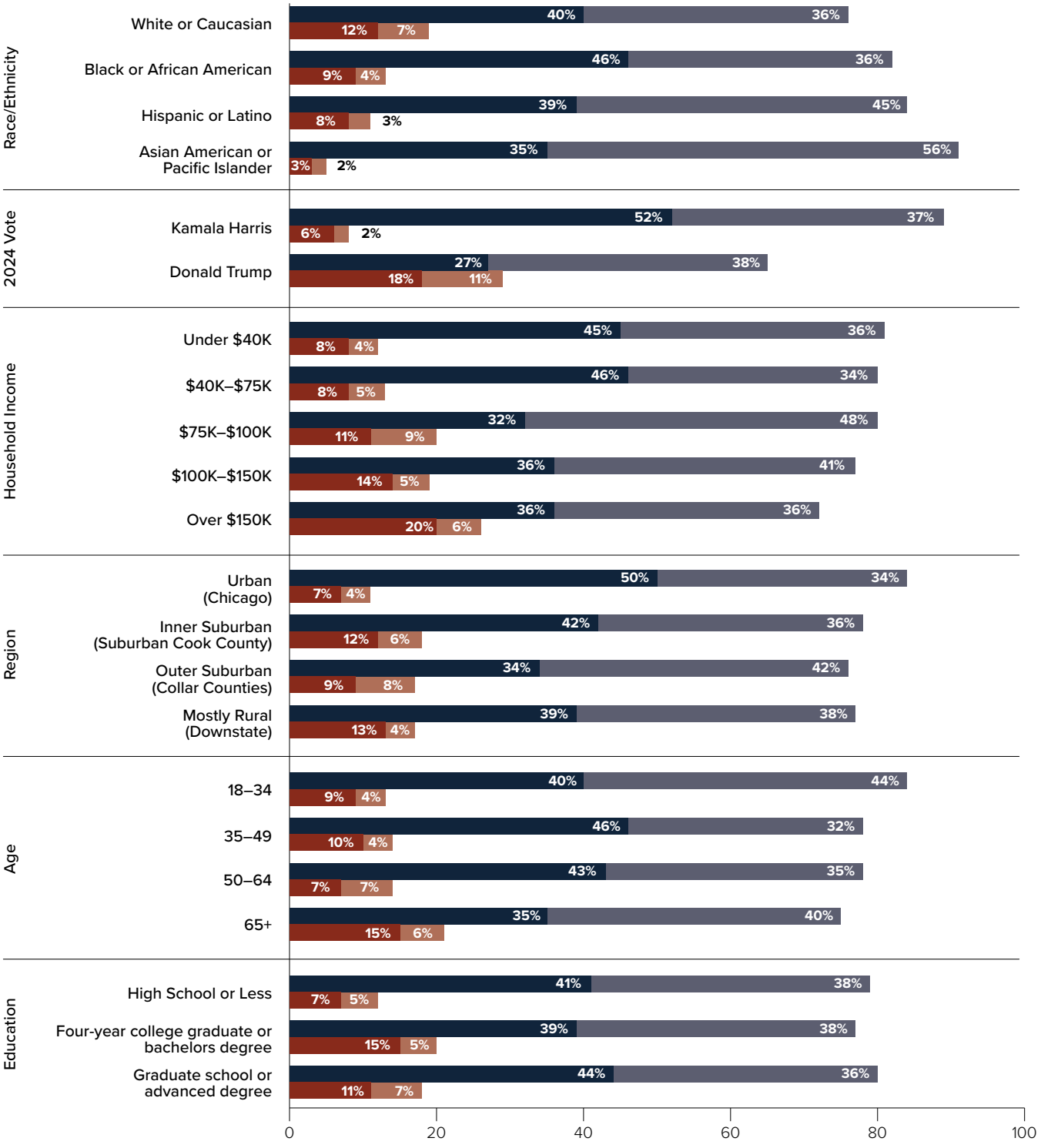
Our elected officials should pursue bold ideas to reduce economic inequality.

Our elected officials should stay focused on the basics of making government work and not chase flashy new ideas.

Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

We need laws to reform capitalism so companies have to think about their workers and communities, not just turning a profit for their shareholders.

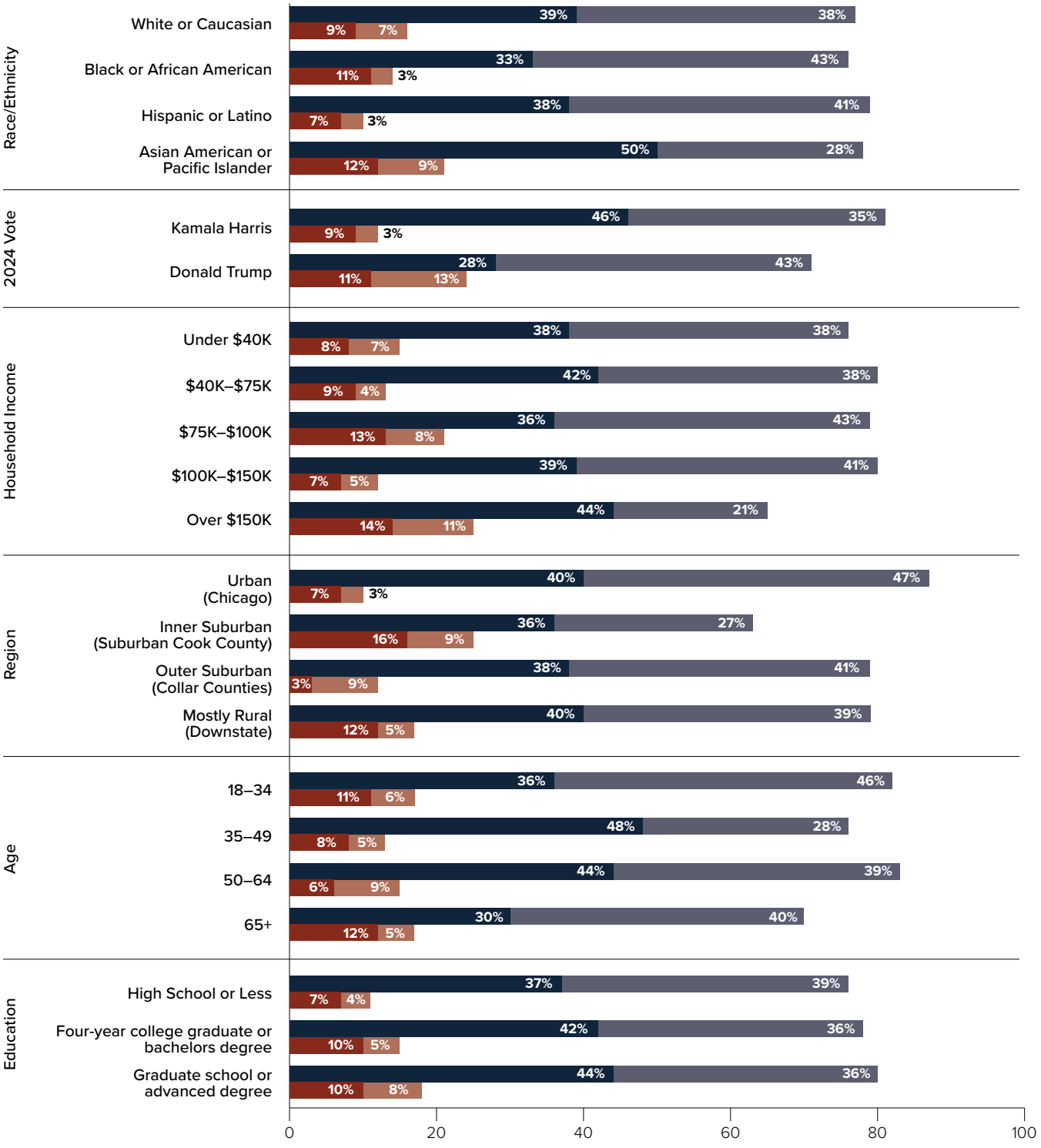


Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree

Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

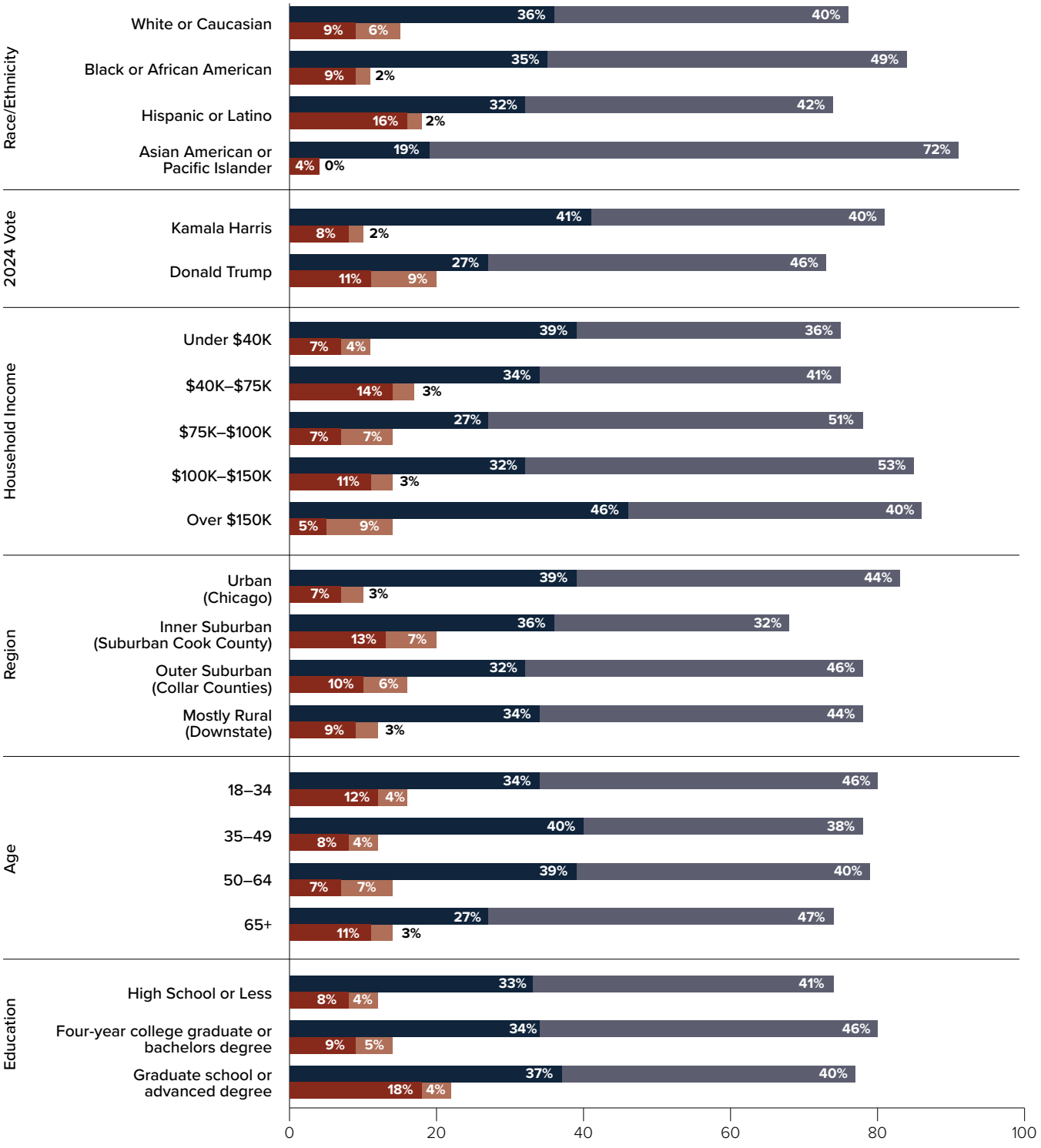
POLICY SUPPORT: Tying CEO pay to worker pay so that workers must earn a certain percentage of what the CEO earns.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

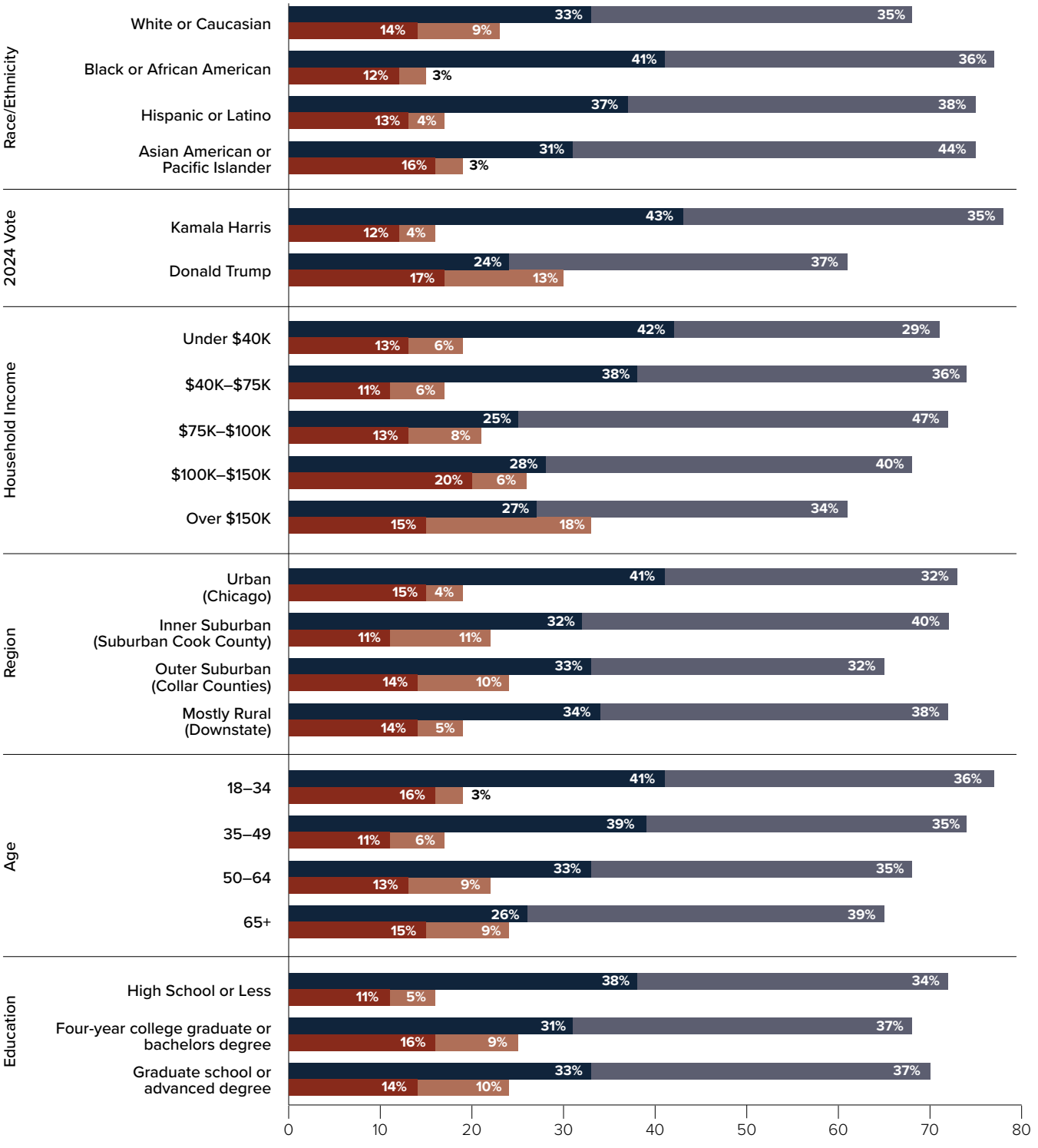
POLICY SUPPORT: Requiring that every time a company gives their CEO and executives more stock, they give more stock to their workers as well.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

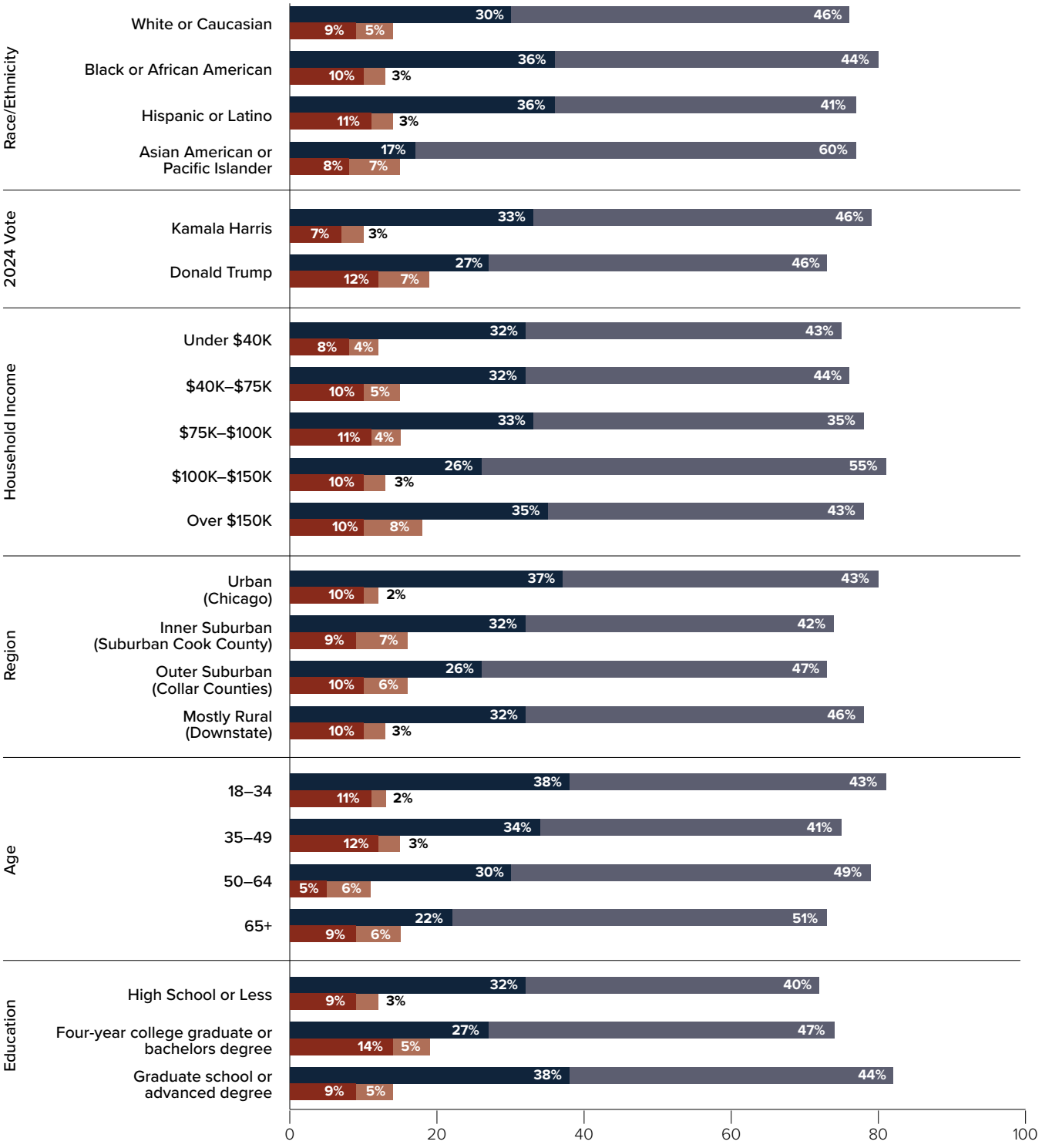
POLICY SUPPORT: Requiring companies to share as much of their profits with workers as they do with their shareholders.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

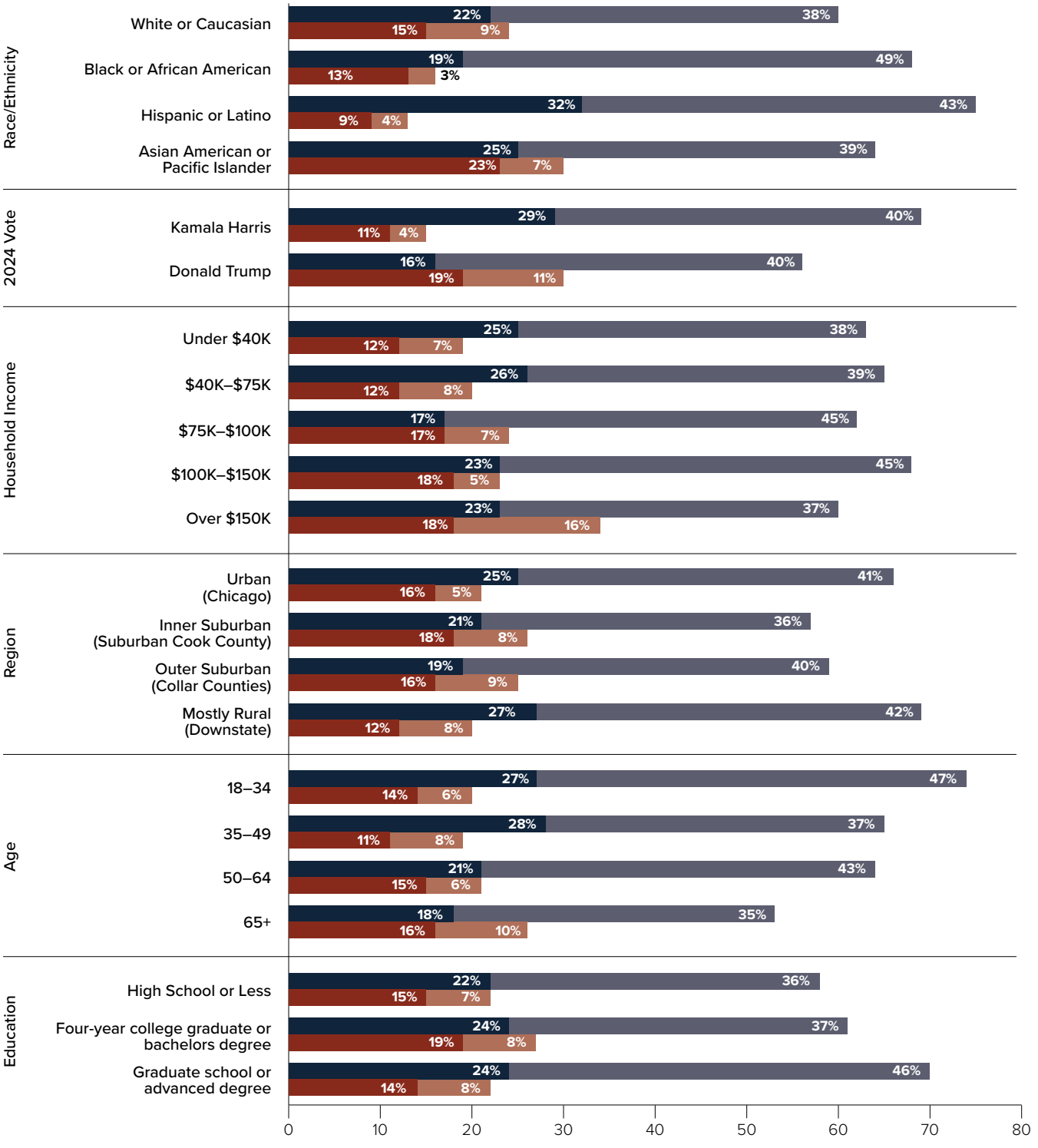
POLICY SUPPORT: Giving companies tax incentives for being majority employee-owned.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

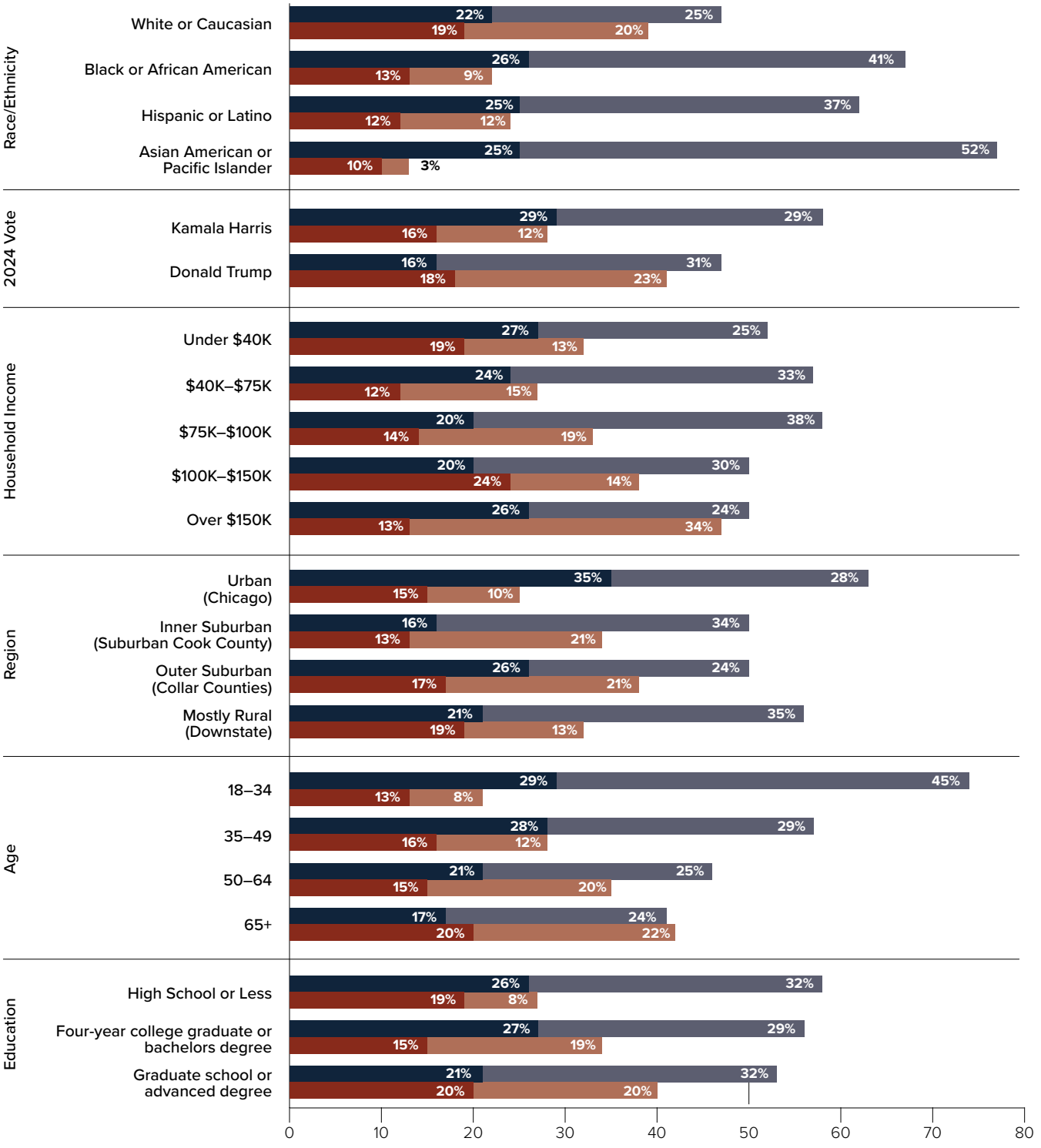
POLICY SUPPORT: Requiring cities and states to prioritize doing business with worker-owned companies over shareholder-owned companies.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

POLICY SUPPORT: Requiring companies to put a certain percentage of their profits into a public fund that distributes annual checks to every American citizen.



Source: Impact Research Survey of 1,200 registered Illinois voters (February/March 2026); ±2.8% credibility interval

Totals and subtotals may differ from the sum of individual percentages due to rounding

Appendix 2: Policy Tables

RELATIVE MINIMUM WAGE

Category	Summary
Core Idea	Use the state or federal government's authority to set a minimum wage requiring the lowest-paid worker in every enterprise be paid at least a set fraction of what the highest-paid worker is paid.
Democratic Capitalism Principle	Workers contribute human capital that is indispensable to creating enterprise value. A Relative Minimum Wage ensures that workers share more directly in the prosperity their labor helps produce.
Favorability among voters	• Overall +61 points (77% support / 16% oppose) • Harris voters +70 points (81% support / 11% oppose) • Trump voters +46 points (70% support / 24% oppose)
Expected Impacts	1. Increase wages of lowest-paid workers 2. Reduce pay disparities and income inequality across the economy 3. Evolve the public narrative about what workers are owed when they help create value
Related Policies & Precedents	• Minimum wage laws • Prevailing wage laws • Overpaid CEO-pay taxes (e.g. San Francisco, Portland) • CEO pay-ratio disclosure (SEC) • Enterprise-level policies on CEO pay ratios (e.g. Dr. Bronner's)
Anticipated Critiques	• Threats of flights of capital or labor • Threats of more rapid acceleration of corporate AI investments • Threats of corporate evasion through restructuring or worker reclassification • Limits ability of enterprises operating in the jurisdiction to recruit top executive talent • In the absence of a strong absolute minimum wage (e.g. $15/hour or $25/hour), could decrease political will to raise the absolute wage floor
Design & Implementation Questions	• How do we define compensation (e.g. wages, benefits, equity)? • What period of time should serve as the basis for highest-paid workers (e.g. prior year, prior three-year average)? • Should the requirement tie the pay of the lowest-paid worker or the median worker to the highest-paid worker? • What should the multiple/fraction be? • How to prevent workarounds (e.g. corporate restructuring, holding companies, reclassifying workers)? • What businesses should be excluded, if any (e.g. small businesses, businesses with a collective bargaining agreement, businesses paying the prevailing wage)? • How to smooth implementation (e.g. timelines, stepdowns, start with publicly traded companies before expanding to all companies)? • What enforcement mechanisms and resources are needed (e.g. increased appropriations for government oversight, private rights of action)?
Research Questions	1. What might the dynamic impacts be on wages and employment? 2. What would the ideal multiple be to maximize the primary goals while minimizing downsides?

SHARED OWNERSHIP PAY

Category	Summary
Core Idea	Require that whenever an enterprise compensates senior executives with equity, it also provides meaningful equity compensation to non-management workers, ensuring that all workers share in the ownership and long-term value they help create.
Democratic Capitalism Principle	All workers (senior management, middle management, and frontline workers) provide essential human capital necessary to create value. As such, when an enterprise allows management to earn an equity stake in the enterprise, it should allow all workers to do so. Democratic Capitalism insists that the meaningfulness of input — not one's position — should determine who gets a share in prosperity.
Favorability among voters	• Overall +64 points (78% support / 14% oppose) • Harris voters +72 points (82% support / 10% oppose) • Trump voters +54 points (74% support / 20% oppose)
Expected Impacts	• Increased worker income and wealth through equity • Increased worker voice in governance • Better alignment of incentives for workers and management • Broaden capital ownership across more American households • Evolve the public narrative around all workers creating value and therefore deserving of a share in the profits that they help create
Related Policies & Precedents	• Employee-ownership models • Stock option pay to workers (e.g. in startup contexts)
Anticipated Critiques	• Administrative complexity, especially considering the difficulty in determining size and structure of worker equity distribution when top management equity is often tied to specific performance benchmarks • Dilution of equity among current shareholders • If too large a part of worker total compensation comes in the form of equity, overall worker compensation may become too volatile and hard for workers to predict and rely on. • Challenge in workers retaining equity if in a highly mobile industry • Requires additional effort to educate workers about the value and governance rights that come with equity pay. • May reduce incentive-based equity pay for senior managers
Design & Implementation Questions	• Should the requirement apply to all companies or just publicly traded companies? • Should a certain minimum percentage of executive equity compensation trigger this requirement? • How should the size of the worker equity pool be determined (e.g. is it based on the prior year of management equity pool or multi-year average, is there a multiple off the management equity pool)? • Should there be a vesting period for new employees? • Should all employees be treated equally or should tenure or other considerations inform the size of individual pay packages? • How should seasonal, contract, and part-time workers be treated? • How to determine structure of work equity pool if management equity pool is conditional on management performance benchmarks • How to create public accounts for workers to hold shares in, especially in a highly mobile workforce, so workers don't lose track of their shares when they move from job to job.
Research Questions	• How many workers may be implicated in a state or nationally? • What effects would broad-based worker equity have on wealth inequality? • How would this affect corporate investment and capital formation?

WORKER DIVIDEND

Category	Summary
Core Idea	Whenever a company distributes profits to shareholders, it should also distribute a portion of those profits to the workers whose labor helped create them.
Democratic Capitalism Principle	Sources of financial capital (investors) and human capital (workers) are both required to create value. As such, when profits are available for distribution, both investors and workers should receive some form of distribution.
Favorability among voters	• Overall +50 points (71% support / 21% oppose) • Harris voters +62 points (78% support / 16% oppose) • Trump voters +32 points (62% support / 30% oppose)
Expected Impacts	• Increased worker income through dividend payments • Increased incentives for worker productivity by giving workers a direct share of corporate success • Encourages companies to view workers as partners in value creation rather than simply labor costs • Evolve the public narrative around all workers creating value and therefore deserving a share in the profits they help create
Related Policies & Precedents	• Employee-ownership models • Sovereign wealth fund distributions (e.g. the Alaska Permanent Fund Dividend payments)
Anticipated Critiques	• Reduction of dividend payments may reduce investment appetite • Limits the “right” to distributions for investors • May encourage a flight of capital outside of the U.S.
Design & Implementation Questions	• What percentage of shareholder distributions should also go to workers? • Should distributions be equal or proportional to wages or tenure? • Should contractors participate? • Should companies below a certain size be exempt? • How should multinational corporations be treated?
Research Questions	• How would worker dividends affect employee productivity, retention, and turnover — and eventually company profitability? • Would worker dividends increase public trust in capitalism? • Might worker dividends correlate with decreased political polarization around corporate power?

INCENTIVIZING EMPLOYEE OWNERSHIP

Category	Summary
Core Idea	Through a wide range of policies and programs, incentivize employee ownership of businesses
Democratic Capitalism Principle	Employee ownership merges the financial and human capital inputs, ensuring that workers share in the prosperity they help build
Favorability among voters	Tax incentives for employee-owned firms • Overall +63 points (77% support / 14% oppose) • Harris voters +70 points (80% support / 10% oppose) • Trump voters +54 points (73% support / 19% oppose) Contracting preferences for employee-owned firms • Overall +42 points (64% support / 22% oppose) • Harris voters +54 points (69% support / 15% oppose) • Trump voters +25 points (56% support / 31% oppose)
Expected Impacts	• Increased worker income through dividend payments • Increased worker wealth through equity • Increased worker voice in governance • Better aligned incentives for workers and management • Broader capital ownership across more American households • Evolve the public narrative around all workers creating value and therefore deserving a share in the profits they help create • Increase worker and community stewardship among corporations
Potential Policies	• Lower corporate tax rates for employee-owned firms • Bidding preferences for employee-owned firms in government contracting • Revolving loan funds for employee-led acquisitions • Education campaigns to increase the awareness of employee ownership among employees and retiring business owners • Grant funding for due diligence and technical assistance for employee-led acquisitions
Anticipated Critiques	• Dependent on the specific suite of policies adopted
Design & Implementation Questions	• Dependent on the specific suite of policies adopted
Research Questions	• What policies produce the greatest increase in employee ownership? • What policies may be the most cost effective in increasing employee ownership?

CITIZEN DIVIDEND

Category	Summary
Core Idea	Companies create value by combining private capital, labor, and public goods. Because public goods help create private profit, a small share of those profits should be returned to every citizen through an annual dividend.
Democratic Capitalism Principle	Public goods — including infrastructure, legal systems, public research, education, and natural resources — are one of the three primary forms of capital that make private profit possible. Because citizens collectively own those assets, they deserve to share in the wealth they help create.
Favorability among voters	• Overall +20 points (53% support / 33% oppose) • Harris voters +29 points (58% support / 29% oppose) • Trump voters +7 points (48% support / 41% oppose)
Expected Impacts	• Greater income for most American households • Increased GDP growth due to more cash payments to households with a higher marginal propensity to consume • Evolving the public narrative about who deserves to benefit from profit creation • Broadens ownership of economic growth without requiring government ownership of firms.
Related Policies & Precedents	• Alaska Permanent Fund Dividend Payments • Per Capita payments from casino revenues among Eastern Band of Cherokee Indians members
Anticipated Critiques	• The public is “double dipping” through taxation and dividend payments • Reduced incentive for investors to invest in American companies as opposed to companies in other markets • Members of the public are “freeloading” off the hard work and risk-taking of the companies • The burden on small- to medium-sized businesses would be high
Design & Implementation Questions	• What should the percentage payment be? • How should it be disbursed? • Should every citizen receive an equal disbursement or should other factors (e.g., age, size of household) determine size of disbursement? • Should payments be made annually or quarterly? • Should all companies participate, or only publicly traded companies or companies above a certain size or revenue base?
Research Questions	• How might a Citizen Dividend impact company investment and capital allocation decisions? • How might a Citizen Dividend impact the well-being and economics of American households? • How might a Citizen Dividend affect labor market participation?

Endnotes

EXECUTIVE SUMMARY

1 Table B1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

2 Josh Bivens et al., "CEO-to-Worker Pay Has Skyrocketed over the Last Six Decades," Economic Policy Institute, September 25, 2025, **https://www.epi.org/publication/ceo-pay/#1**.

3 Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, World Inequality Database, World Inequality Lab, accessed June 30, 2026, **https://wid.world/data**.

4 Data from this section is from Reimagining Capitalism Lab, *Illinois Statewide Poll of Registered Voters*, survey conducted by Impact Research, February 20–March 1, 2026.

5 Data from this section is from Reimagining Capitalism Lab, *Illinois Statewide Poll of Registered Voter*s, survey conducted by Impact Research, February 20–March 1, 2026.

6 Eli G. Rau and Susan Stokes, "Income Inequality and the Erosion of Democracy in the Twenty-First Century," *Proceedings of the National Academy of Sciences* 122, no. 1 (December 30, 2024), **https://www.pnas.org/doi/10.1073/pnas.2422543121**.

7 Data from this section is from Reimagining Capitalism Lab, *Illinois Statewide Poll of Registered Voters*, survey conducted by Impact Research, February 20–March 1, 2026.

8 Voter support outlined in this section is from Reimagining Capitalism Lab, *Illinois Statewide Poll of Registered Voters*, survey conducted by Impact Research, February 20–March 1, 2026.

SECTION 1

9 World Bank, "GDP Growth (Annual %)," World Development Indicators, **https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG**.

10 Median unemployment has been lower in the United States than in France and Germany, and maximum unemployment has been lower than in France, Germany, and the United Kingdom, between 1991 and 2024. Federal Reserve Bank of St. Louis, FRED, "Harmonized Unemployment Rate: Total: All Persons," data from the OECD, accessed August 6, 2026, **https://fred.stlouisfed.org/graph/?id=LRHUTTTTDEA156S,LRHUTTTTFRA156S,LRHUTTTTGBA156N**.

11 Margareta Drzeniek, Sheana Tambourgi, and Ilaria Marchese, "Global Rankings," COVID Economic Recovery Index, Horizon Group, 2020, **https://www.covidrecoveryindex.org/ranking**.

12 Branko Milanović, *Capitalism, Alone* (Cambridge, MA: Harvard University Press, 2019), p. 176.

13 Andrew Van Dam, "What State Best Represents America?," *Washington Post*, May 10, 2024, **https://www.washingtonpost.com/business/2024/05/10/most-representative-most-unique-places-america/**.

14 Reimagining Capitalism Lab, *Illinois Statewide Poll of Registered Voters*, survey conducted by Impact Research, February 20–March 1, 2026.

15 Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

16 Evan Osnos, *The Haves and Have-Yachts: Dispatches on the Ultrarich* (New York: Scribner, 2026).

SECTION 2

17 Marc Andreessen, "The Techno-Optimist Manifesto," Andreessen Horowitz, October 16, 2023, **https://a16z.com/the-techno-optimist-manifesto/**.

18 Claudia Goldin and Robert A. Margo, "The Great Compression: The Wage Structure in the United States at Mid-Century," *The Quarterly Journal of Economics* 107, no. 1 (February 1992): 1–34, **https://doi.org/10.2307/2118322**.

19 Josh Bivens et al., "CEO-to-Worker Pay Has Skyrocketed over the Last Six Decades," Economic Policy Institute, September 25, 2025, **https://www.epi.org/publication/ceo-pay/#1**. For a note on authors' methodology, "Average annual compensation for CEOs at the top 350 U.S. firms ranked by sales is measured in two ways. Both include salary, bonus, and long-term incentive payouts, but the "granted" measure includes the value of stock options and stock awards when they were granted, whereas the "realized" measure captures the value of stock-related components that accrues after options or stock awards are granted by including "stock options exercised" and "vested stock awards." Projected value for 2024 is based on the percent change in CEO pay in the samples available in June 2023 and in August 2024 applied to the full-year 2023 value. "Typical worker" compensation is the average annual compensation (wages and benefits of a full-time, full-year worker) of production/nonsupervisory workers in the industries that the top 350 firms operate in."

20 Illinois Department of Commerce and Economic Opportunity, "Business Minded," accessed June 29, 2026, **https://dceo.illinois.gov/whyillinois/businessminded.html**.

21 AFL-CIO, "Executive Paywatch," accessed February 11, 2026, **https://aflcio.org/paywatch**.

22 Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

23 Table B1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

24 "Income Groups' Shares of Income After Transfers and Taxes, 1979 to 2022," Congressional Budget Office, The Distribution of Household Income, 2022 (Washington, DC: Congressional Budget Office, January 2026), **https://www.cbo.gov/publication/62300**.

25 Table TB1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

26 Table TB1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

27 Figure 9, Lawrence Mishel, Elise Gould, and Josh Bivens, "Wage Stagnation in Nine Charts," Economic Policy Institute, January 6, 2015, **https://www.epi.org/publication/charting-wage-stagnation/**

28 Comparison of U.S. Bureau of Economic Analysis, "Gross Domestic Product," retrieved through FRED, Federal Reserve Bank of St. Louis, accessed June 29, 2026, **https://fred.stlouisfed.org/series/GDP**, with Table TB1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

29 Table TE1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

30 Table TE3, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

31 Table TE 1, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Appendix Tables II (Distributional National Accounts Data)*, Excel dataset, February 2022, **https://gabriel-zucman.eu/files/PSZ2022AppendixTablesII(Distrib).xlsx**.

32 Forbes, "The Forbes 400: The Richest People in America Ranked," accessed June 30, 2026, **https://www.forbes.com/forbes-400/**; and Thomas Blanchet, Léon Mouillet, Emmanuel Saez, and Gabriel Zucman, "Real-Time Inequality," accessed June 30, 2026, **https://realtimeinequality.org/**.

33 Joseph Dean, *The Racial Wealth Gap 1992 to 2022* (Washington, DC: National Community Reinvestment Coalition, October 2024), **https://ncrc.org/the-racial-wealth-gap-1992-to-2022/**.

34 Richard Fry and Carolina Aragão, "Gender Pay Gap in U.S. Has Narrowed Slightly over 2 Decades," Pew Research Center, March 4, 2025, **https://www.pewresearch.org/short-reads/2025/03/04/gender-pay-gap-in-us-has-narrowed-slightly-over-2-decades/**.

35 S. Estep and H. Norris, "The 2024 LGBTQI+ Wage Gap," Center for American Progress, June 17, 2025, **https://www.americanprogress.org/article/the-2024-lgbtqi-wage-gap/**.

36 University of Massachusetts Amherst, "Immigrants in U.S. Earn 10.6% Less Than Native-Born Workers, but Biggest Driver Is Job Access, Not Wage Discrimination," July 16, 2025, UMass Amherst citing report by A. S. Hermansen et al., "Immigrant–Native Pay Gap Driven by Lack of Access to High-Paying Jobs," *Nature* (2025), **https://doi.org/10.1038/s41586-025-09259-6**.

37 K. Andara, A. Neal, and R. Khattar, "Disabled Workers Saw Record Employment Gains in 2023, but Gaps Remain," Center for American Progress, February 22, 2024, **https://www.americanprogress.org/article/disabled-workers-saw-record-employment-gains-in-2023-but-gaps-remain/**.

38 World Bank, "GDP (Current US$)," World Development Indicators, indicator NY.GDP.MKTP.CD, accessed June 30, 2026, **https://data.worldbank.org/indicator/NY.GDP.MKTP.CD**.

39 Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, World Inequality Database, World Inequality Lab, accessed June 30, 2026, **https://wid.world/data**.

40 Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, World Inequality Database, World Inequality Lab, accessed June 30, 2026, **https://wid.world/data**.

41 Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, World Inequality Database, World Inequality Lab, accessed June 30, 2026, **https://wid.world/data**.

42 Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, World Inequality Database, World Inequality Lab, accessed June 30, 2026, **https://wid.world/data**.

43 Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, World Inequality Database, World Inequality Lab, accessed June 30, 2026, **https://wid.world/data**.

SECTION 3

44 Branko Milanović, *The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality* (New York: Basic Books, 2011).

45 OpenSecrets, "Business-Labor-Ideology Split," Center for Responsive Politics, accessed July 1, 2026, **https://www.opensecrets.org/elections-overview/business-labor-ideology-split**.

46 Beth Reinhard, Naftali Bendavid, Clara Ence Morse, and Aaron Schaffer, "How Billionaires Took Over American Politics," *Washington Post*, November 21, 2025, **https://www.washingtonpost.com/politics/interactive/2025/billionaires-politics-money-influence/**.

47 Quorum, "Corporate Donations in the 2024 Election Cycle: Trends and Analysis," *Quorum Blog*, accessed July 1, 2026, **https://www.quorum.us/blog/corporate-donations/**.

48 Board of Governors of the Federal Reserve System, "Survey of Household Economics and Decisionmaking: Unexpected Expenses," *SHED Data Visualization*, accessed July 1, 2026, **https://www.federalreserve.gov/consumerscommunities/sheddataviz/unexpectedexpenses-table.html**.

49 Looking at median amounts at each quintile/decile, Board of Governors of the Federal Reserve System, "Survey of Consumer Finances Data Visualization," *Survey of Consumer Finances*, accessed July 1, 2026, **https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/**.

50 Looking at median amounts at each quintile/decile, Board of Governors of the Federal Reserve System, "Survey of Consumer Finances Data Visualization," Survey of Consumer Finances, accessed July 1, 2026, **https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/**.

51 Real-Time Inequality, "Real-Time Inequality," accessed July 1, 2026, **https://www.realtimeinequality.org/**.

52 Anja Solum, "Is It Harder to Buy a Home Today Than in the 1980s?," MoneyGeek, October 24, 2025, **https://www.moneygeek.com/living/home/1980s-vs-today-homebuyers-comparison/#house-price-to-income-ratio**.

53 Melanie Hanson, "Average Cost of College by Year," Education Data Initiative, September 23, 2025, **https://educationdata.org/average-cost-of-college-by-year**.

54 Centers for Medicare & Medicaid Services, Office of the Actuary, "National Health Expenditures by Type of Service and Source of Funds, CY 1960–2024," *National Health Expenditure Accounts*, accessed July 1, 2026, **https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/historical**. In 1980, out-of-pocket health care expenditures were $55.251 billion in current dollars; that figure was converted to 2024 dollars using the U.S. Bureau of Labor Statistics CPI Inflation Calculator, **https://www.bls.gov/data/inflation_calculator.htm**.

55 Kamala Harris, "Remarks on the Economy in Raleigh, North Carolina," speech, Raleigh, NC, August 16, 2024, transcript published by *Singju Post*, accessed July 1, 2026, **https://singjupost.com/transcript-kamala-harris-economic-speech-in-north-carolina/**.

56 Congressional Budget Office, *Policies for Increasing Economic Growth and Employment in 2010 and 2011* (Washington, DC: Congressional Budget Office, January 2010), p. 3, **https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/reports/01-14-employment.pdf**.

57 Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, *Redistribution, Inequality, and Growth*, IMF Staff Discussion Note SDN/14/02 (Washington, DC: International Monetary Fund, February 2014), p. 4, **https://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf**.

58 Jeffrey P. Thompson, Timothy M. Smeeding, David S. Johnson, and Jonathan T. Fisher, *Estimating the Marginal Propensity to Consume Using the Distributions of Income, Consumption, and Wealth*, Research Department Working Paper No. 19-4 (Boston: Federal Reserve Bank of Boston, April 2019), p. 1, **https://www.bostonfed.org/publications/research-department-working-paper/2019/estimating-the-marginal-propensity-to-consume-using-the-distributions-income-consumption-wealth.aspx**.

59 Alan B. Krueger, "The Rise and Consequences of Inequality in the United States," remarks delivered at the Center for American Progress, Washington, DC, January 12, 2012, Council of Economic Advisers, Executive Office of the President, p. 7, **https://obamawhitehouse.archives.gov/sites/default/files/krueger_cap_speech_final_remarks.pdf**.

60 OECD (2015), In It Together: Why Less Inequality Benefits All, OECD Publishing, Paris, p.3. **http://dx.doi.org/10.1787/9789264235120-en**.

61 Isabelle Thévenot, *A Broken Social Elevator? How to Promote Social Mobility*, presentation at the United Nations Expert Group Meeting on "Promoting Inclusion Through Social Protection," United Nations Department of Economic and Social Affairs, New York, September 2018, **https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2018/09/Thévenot-002.pdf**.

62 Heather Boushey, speech at the Vox Conversations conference, Washington, DC, April 27, 2017.

63 Richard Wilkinson and Kate Pickett, *The Spirit Level at 15: A Summary of New Evidence on Inequality and Its Impacts Since the Original Publication of The Spirit Level* (The Equality Trust, 2024), **https://media.equality-trust.out.re/uploads/2024/07/The-Spirit-Level-at-15-2024-FINAL.pdf**.

64 Richard Wilkinson and Kate Pickett, T*he Spirit Level at 15: A Summary of New Evidence on Inequality and Its Impacts Since the Original Publication of The Spirit Level* (The Equality Trust, 2024), **https://media.equality-trust.out.re/uploads/2024/07/The-Spirit-Level-at-15-2024-FINAL.pdf**.

65 Eli G. Rau and Susan Stokes, "Income Inequality and the Erosion of Democracy in the Twenty-First Century," *Proceedings of the National Academy of Sciences* 122, no. 1 (December 30, 2024), **https://www.pnas.org/doi/10.1073/pnas.2422543121**.

66 Richard Wilkinson and Kate Pickett, *The Spirit Level at 15: A Summary of New Evidence on Inequality and Its Impacts Since the Original Publication of The Spirit Level* (The Equality Trust, 2024), **https://media.equality-trust.out.re/uploads/2024/07/The-Spirit-Level-at-15-2024-FINAL.pdf**.

67 Yanfeng Gu and Zhongyuan Wang, "Income Inequality and Global Polarization: The Economic Origin of Political Polarization in the World," Journal of Chinese Political Science (2022), **https://link.springer.com/article/10.1007/s11366-021-09772-1**.

68 Frederick Solt, "Economic Inequality and Democratic Political Engagement," *American Journal of Political Science* 52, no. 1 (2008), **https://fsolt.org/papers/solt2008pre.pdf**.

69 Marina Nord, David Altman, Tiago Fernandes, Ana Good God, and Staffan I. Lindberg, *Democracy Report 2026: Unraveling the Democratic Era?* (Gothenburg: V-Dem Institute, University of Gothenburg, 2026), p. 23, **https://www.v-dem.net/documents/75/V-Dem_Institute_Democracy_Report_2026_lowres.pdf**.

70 Marina Nord, David Altman, Tiago Fernandes, Ana Good God, and Staffan I. Lindberg, *Democracy Report 2026: Unraveling the Democratic Era?* (Gothenburg: V-Dem Institute, University of Gothenburg, 2026), p. 33, **https://www.v-dem.net/documents/75/V-Dem_Institute_Democracy_Report_2026_lowres.pdf**.

71 Marina Nord, David Altman, Tiago Fernandes, Ana Good God, and Staffan I. Lindberg, *Democracy Report 2026: Unraveling the Democratic Era?* (Gothenburg: V-Dem Institute, University of Gothenburg, 2026), p. 33, **https://www.v-dem.net/documents/75/V-Dem_Institute_Democracy_Report_2026_lowres.pdf**.

72 The Editorial Board, "Are We Losing Our Democracy?," *New York Times*, October 31, 2025, **https://www.nytimes.com/interactive/2025/10/31/opinion/trump-autocracy-democracy-report.html**.

73 John Gramlich, "Multiple Indicators Show a Decline in the Health of America's Democracy in 2025," Pew Research Center, April 15, 2026, **https://www.pewresearch.org/short-reads/2026/04/15/multiple-indicators-show-a-decline-in-the-health-of-americas-democracy-in-2025/**.

74 John Gramlich, "Multiple Indicators Show a Decline in the Health of America's Democracy in 2025," Pew Research Center, April 15, 2026, **https://www.pewresearch.org/short-reads/2026/04/15/multiple-indicators-show-a-decline-in-the-health-of-americas-democracy-in-2025/**.

75 Matt Grossmann, "Political Inequality Isn't Responsible for Economic Inequality," *The Science of Politics*, Niskanen Center podcast transcript, interview with Andrew J. Taylor, May 13, 2026, **https://www.niskanencenter.org/political-inequality-isnt-responsible-for-economic-inequality/**.

SECTION 4

76 Illinois State Board of Elections, Voter Registration Counts, accessed July 10, 2026, **https://www.elections.il.gov/VotingAndRegistrationSystems/RegistrationCounts.aspx**. The Board reported 8,342,885 registered voters in Illinois.

77 Illinois Economic Development Corporation, "Chart of the Month: Illinois' Economic Diversity," February 3, 2026, **https://www.illinoisedc.org/news/chart-of-the-month-illinois-economic-diversity/**.

78 For crosstabs and subgroup breakdowns for this question and the other questions presented in this section, refer to Appendix 1

79 Michael I. Norton, "Unequality: Who Gets What and Why It Matters," Policy Insights from the Behavioral and Brain Sciences 1 (2014): 153, **https://journals.sagepub.com/doi/10.1177/2372732214550167**.

80 Michael I. Norton, "Unequality: Who Gets What and Why It Matters," Policy Insights from the Behavioral and Brain Sciences 1 (2014): 151, **https://journals.sagepub.com/doi/10.1177/2372732214550167**.

81 Andrew J. Taylor, "Blue-Collar Voters Don't Want Blue-Collar Politicians," *The Gist*, date unknown, likely late 2025, **https://www.youtube.com/watch?v=zTBEgg2PkK0**.

82 Michael I. Norton, "Unequality: Who Gets What and Why It Matters," *Policy Insights from the Behavioral and Brain Sciences* 1 (2014): 153, **https://journals.sagepub.com/doi/10.1177/2372732214550167**.

83 Michael I. Norton, "Unequality: Who Gets What and Why It Matters," *Policy Insights from the Behavioral and Brain Sciences* 1 (2014): 153, **https://journals.sagepub.com/doi/10.1177/2372732214550167**.

84 Richard V. Reeves and Eleanor Krause, "Raj Chetty in 14 Charts: Big Findings on Opportunity and Mobility We Should All Know," Brookings Institution, January 11, 2018, **https://www.brookings.edu/articles/raj-chetty-in-14-charts-big-findings-on-opportunity-and-mobility-we-should-know/**.

85 Christina Starmans, Mark Sheskin, and Paul Bloom, "Why People Prefer Unequal Societies," *Nature Human Behaviour*, April 7, 2017, **https://doi.org/10.1038/s41562-017-0082**.

86 Christina Starmans, Mark Sheskin, and Paul Bloom, "Why People Prefer Unequal Societies," *Nature Human Behaviour*, April 7, 2017, **https://doi.org/10.1038/s41562-017-0082**.

87 Bill Clinton, *Remarks Announcing the National Performance Review*, March 3, 1993, in From *Red Tape to Results: Creating a Government That Works Better and Costs Less* (Washington, DC: National Performance Review, U.S. Government Printing Office, September 1993), **https://files.eric.ed.gov/fulltext/ED351810.pdf**.

SECTION 5

88 Bruce Western and Jake Rosenfeld, "Unions, Norms, and the Rise in U.S. Wage Inequality," *American Sociological Review* 76, no. 4 (2011): 513–537, **https://doi.org/10.1177/0003122411414817**.

89 Oxfam America, *Inequality, Made in America: How Corporate America Is Fueling Our Inequality Crisis* (Boston: Oxfam America, 2024).

90 Qureshi, Zia. "Rising Inequality: A Major Issue of Our Time." *Brookings Institution*, May 16, 2023, **https://www.brookings.edu/articles/rising-inequality-a-major-issue-of-our-time/**.

91 Alaska Constitution, art. VIII.

92 Harstad Strategic Research, *Alaska Poll Results: Alaska Permanent Fund* (Economic Security Project, October 10, 2022), **https://economicsecurityproject.org/wp-content/uploads/2022/10/221010-Harstad-Strategic.pdf**.

93 Emily Peck, "Americans Agree on Social Security, but Their Faith Is Waning," *Axios*, July 22, 2025, **https://www.axios.com/2025/07/22/social-security-polling-survey**.

94 Third Way, *Reframing the Case for Fixing Social Security and Medicare* (Washington, DC: Third Way, 2013), **https://www.thirdway.org/report/reframing-the-case-for-fixing-social-security-and-medicare**.

95 AARP, "Survey Finds Social Security Viewed as Important," *AARP Ohio*, July 17, 2025, **https://www.aarp.org/states/ohio/survey-finds-social-security-viewed-as-important/**.

SECTION 6

96 The median wage for S&P 500 CEOs in 2024 was $17.1 million according to Amit Batish, "CEO Pay Study," *Harvard Law School Forum on Corporate Governance*, June 8, 2025, **https://corpgov.law.harvard.edu/2025/06/08/ceo-pay-study/**. A person making $7.25 per hour (the federal minimum wage) for 40 hours a week and 52 weeks a year would earn $15,080 annually.

97 Economic Policy Institute analysis of data from Compustat's ExecuComp database, Federal Reserve Economic Data (FRED) from the Federal Reserve Bank of St. Louis, the Bureau of Labor Statistics' Current Employment Statistics series, and Bureau of Economic Analysis NIPA tables, May 2026.

98 James F. Reda et al., *CEO and Executive Compensation Trends, 2024–2025 Edition* (Arthur J. Gallagher & Co.), fig. 1.1, "CEO—Pay by Components, Index, 2023," p. 16, **https://www.ajg.com/news-and-insights/use-strategic-data-to-attract-and-retain-executive-talent/-/media/files/gallagher/us/2024/ceo-and-executive-compensation-trends-2024-2025.pdf**.

99 Economic Policy Institute analysis of data from Compustat's ExecuComp database, Federal Reserve Economic Data (FRED) from the Federal Reserve Bank of St. Louis, the Bureau of Labor Statistics' Current Employment Statistics series, and Bureau of Economic Analysis NIPA tables, May 2026.

100 Oxfam America, "Largest US Corporations Spent Nearly $1.6 Trillion on Shareholder Payouts in 2024, Triple the Income of the Poorest Fifth of US Households," October 16, 2025, **https://www.oxfamamerica.org/press/largest-us-corporations-spent-nearly-16-trillion-on-shareholder-payouts-in-2024-triple-the-income-of-the-poorest-fifth-of-us-households**.

101 Joseph Blasi and Douglas Kruse, *Employee Ownership and ESOPs: What We Know from Recent Research* (Washington, DC: Aspen Institute Economic Opportunities Program, April 8, 2025), **https://www.aspeninstitute.org/publications/employee-ownership-and-esops-what-we-know-from-recent-research-2025/**.

102 Delaware Division of Corporations, "Statistics," accessed July 20, 2026, **https://corp.delaware.gov/stats/**.

103 Joseph Blasi and Douglas Kruse, *Employee Ownership and ESOPs: What We Know from Recent Research* (Washington, DC: Aspen Institute Economic Opportunities Program, April 8, 2025), **https://www.aspeninstitute.org/publications/employee-ownership-and-esops-what-we-know-from-recent-research-2025/**.

104 Tax Policy Center, "How Does the Corporate Income Tax Work?," accessed July 30, 2026, **https://taxpolicycenter.org/briefing-book/how-does-corporate-income-tax-work**.

105 Jeremy Bearer-Friend and S. Polcz, "Sharing the Algorithm: The Tax Solution to Generative AI," Columbia Journal of Tax Law 17, no. 1 (2025): 1–40, **https://doi.org/10.52214/cjtl.v17i1.14478**.

106 Bernie Sanders, "The Public Should Own Half of the Big AI Companies," *New York Times*, June 1, 2026, **https://www.nytimes.com/2026/06/01/opinion/artificial-intelligence-bernie-sanders.html**.

107 Josh Bivens, Elise Gould, and Jori Kandra, "CEO Pay Declined in 2023: But It Has Soared 1,085% Since 1978 Compared with a 24% Rise in Typical Workers' Pay," Economic Policy Institute, September 19, 2024, table 1, "CEO Compensation, CEO-to-Worker Compensation Ratio, and Stock Prices (2023$), Selected Years, 1965–2023." **https://www.epi.org/publication/ceo-pay-in-2023/**.

108 David Vogel, *Trading Up: Consumer and Environmental Regulation in a Global Economy* (Cambridge, MA: Harvard University Press, 1995).

109 NPR Staff, "*Obergefell* Still Protects Same-Sex Marriage Nationwide. Here's How States Have Responded," NPR, June 26, 2025, **https://www.npr.org/2025/06/26/nx-s1-5445033/obergefell-legal-same-sex-marriage-us-map**.

110 Bruce G. Carruthers and Naomi R. Lamoreaux, "Regulatory Races: The Effects of Jurisdictional Competition on Regulatory Standards," *Journal of Economic Literature* 54, no. 1 (2016), DOI: 10.1257/jel.54.1.52. **https://www.aeaweb.org/articles?id=10.1257/jel.54.1.52.**

111 Arindrajit Dube, *The Wage Standard* (Dutton, 2026), pp. 160-161.

112 Stanford University Institute for Human-Centered Artificial Intelligence, AI Index Report 2026: Economy (Stanford, CA: Stanford University, 2026), **https://hai.stanford.edu/ai-index/2026-ai-index-report/economy**.



beyondaffordability.org