

Informed Citizens

Background

America's Government and Economy

America's founders defined the purpose of the government and economy in the founding documents:

- The purpose of government is to establish justice, to ensure the blessings of liberty for us and our children and grandchildren, and to promote general welfare through laws and regulations.
- The purpose of America's economy is to provide for the general welfare through corporations operating within government regulated markets.

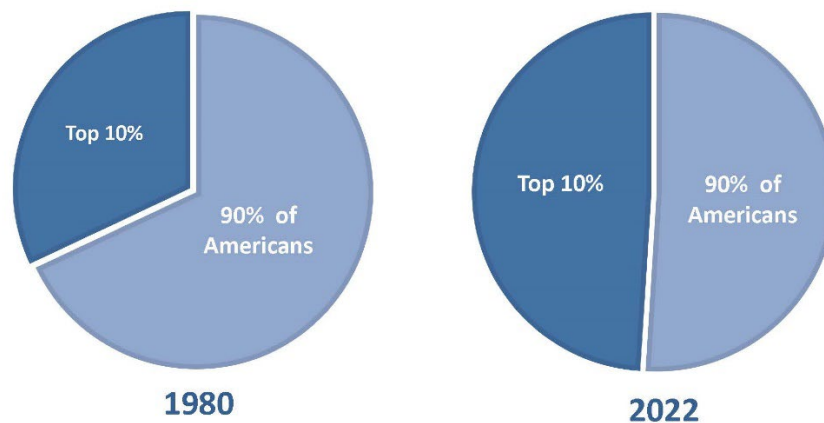
America's challenges today are fundamental to fulfilling those purposes in a fair way for all citizens.

America's Greatest Challenge

America today is both the greatest country in the world, with the potential to be an even greater country, as well as a country in decline with the risk of not being able to realize its potential.

America's Greatest Challenge is it's Middle Class being Left Behind. America's decline and risk of losing its potential are primarily being caused by an economy that works very well for the advantaged (the top 10%) but is leaving 90% of Americans behind.

Share of US Income



Without this Unnecessary Shift in Share of US Income 90% of Americans would have Significantly Higher Incomes Today

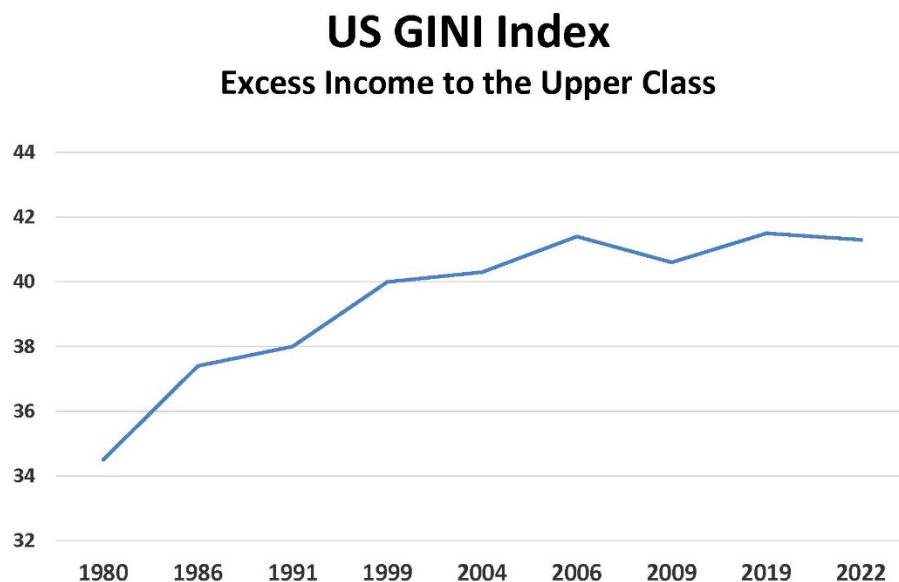
The 17%, \$2.5 trillion/year transfer in income from the middle class to the top 10% was not required for the top 10% and has left the middle class struggling financially and disappointed politically. The bottom 50% of Americans (165 million people) have not seen real increases in their incomes for over forty years.

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This shift is expected to continue and accelerate as we realize the productivity benefits of technological advancements like robotics and AI and those benefits go to the upper class in our economic system. Because the middle class drive consumer demand and consumer demand drives economic activity, this shift in income has limited consumer demand and therefore the economic growth and prosperity of the country. Excess income to the top 10% of people has resulted in significant, high end asset price inflation including not economically supported increases in stock prices.

The International Monetary Fund uses the GINI Index to measure the level of income sharing between the upper class and middle class of countries around the world. A GINI Index level of 35 results in maximum economic growth and prosperity by achieving a sharing of income to the wealthy that maximizes supply of capital and income to consumers that maximizes demand. The US GINI Index has been steadily increasing over the past forty years from 35 to 42, reflecting a steadily increasing imbalance of income between the wealthy and the middle class.



1980 - Maximum Economic Activity and Higher GDP Growth

2022 - Lower Economic Activity and Lower GDP Growth

GDP growth in recent years has been artificially fueled by large government deficit spending and population growth caused primarily by immigration. Deficit spending is a threat to future economic growth and domestic security. In order to achieve maximum sustainable economic growth, America needs to achieve a balance of income between the upper class for capital requirements and middle class for consumer demand requirements.

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During those forty years the purpose of a corporation had been defined as being to maximize income to shareholders (top 10%). Management was and is compensated with shareholder equity, giving them incentive to maximize income for shareholders and themselves, while minimizing income for the middle class (remaining 90%). During those forty years the middle class hasn't done nearly as well as the top 10%, resulting in them rightfully believing they aren't being treated fairly.

The Business Roundtable (which is comprised of the CEOs of America's leading corporations) has superficially redefined the purpose of a corporation to be for the benefit of all stakeholders (employees, customers, communities, vendors, and shareholders). Those same corporations continue to compensate those CEOs and their other executives primarily with equity, which retains the incentive to maximize shareholder value over that of other business participants (employees, customers, and communities).

A Declining Trust in Government

Over the past forty years the percentage of people who trust the Federal government has declined significantly. Political leaders have promised to fix the increasing income inequity and many other things but have not.

During that period political leaders have modified election and legislative process rules and procedures to advance their own self-interests, primarily getting re-elected, rather than balancing their self-interests with the public interest. The number of meaningful laws enacted by Congress has declined significantly. The laws that are passed are becoming more and more partisan.

Politicians and political parties have conditioned voters to evaluate candidates on the issues and their beliefs on those issues. The result is elected leaders who must stand up for those issues and not solutions that balance the beliefs of others on those issues. Since each major issue is represented by a spectrum of beliefs the only possible outcome is gridlock and lack of leadership.

Increasing Social Unrest and Political Divisiveness

The middle class being left behind and a declining trust in government is resulting in social unrest and political divisiveness. The increasing social unrest and political divisiveness is made worse by politicians. Politicians use and misuse the increasing unrest and divisiveness to get elected. Those political leaders are funded and influenced by the wealthy, upper class shareholders and are therefore unable to fix the increasing income inequity.

The increasing social unrest and political divisiveness are made worse by the mainstream media and social media corporations. Those corporations have the same goal of maximizing shareholder value and management incentives tied to maximizing shareholder value as all other corporations. The mainstream and social media corporations use and misuse the unrest and divisiveness to generate users and therefore revenue and profits for their shareholders.

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The MAGA Movement

The MAGA movement (Make America Great Again) is the result of the middle class being left behind economically, a declining trust in government, and increasing social unrest and political divisiveness. The MAGA supporters want to go back fifty years to when the middle class had a bigger share of America's income and economic security.

The shrinking middle class income pool has had a greater impact on middle class males. A larger share of the shrinking income pool is going to middle class women. Middle class women pay has increased as a result of reduced, but not eliminated, gender pay gaps. In addition, more middle class women are having to work to support households with static or declining middle class male incomes.

Incomes and social standings of blacks in the top 10% have improved over those forty years resulting in an incorrect belief by middle class whites that middle class blacks are also doing better. As a result, middle class white males believe they are being left behind by the top 10%, by middle class white women, and by middle class blacks and are therefore the primary and strongest MAGA supporters.

MAGA supporters have given up on democracy and capitalism and have turned to authoritarianism as their best hope for a better economic future, creating serious political and economic risks.

America's Opportunities

Advances in technology and communications, increases in education, and greater access to information, along with the fundamentals of who we are as a collective people, provide us with the opportunity to realize America's potential. It is up to us to take advantage of that opportunity.

America's economic, political and population foundations provide a strong platform. A fair and honest free market economy is a great economic system with which to provide for America's prosperity. A fair and honest democracy is a great political system with which to fulfil America's potential. America's diversity of race, nationality, culture, and religion provides an excellent opportunity to be a shining example for the world.

Common social values can only be realized if people believe their leaders are treating them fairly. Trust in leaders is fundamental to a successfully functioning society. Trust can only be achieved with honesty and fairness. Marketing has become important to political and business leaders. Marketing can be informative or misleading. Knowingly using selective truths to mislead is dishonest.

Shared Values

Following are shared values which are fundamental to our society:

- Rights
 - Life, liberty, and the pursuit of happiness for all
 - Equal social, civil, and legal justice for all
 - Freedom of speech, religion, press, assembly, and petition

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- Beliefs
 - In honesty, transparency, integrity, and right over wrong
 - In treating others as we want them to treat us
 - The goodness of a higher power
 - The collective goodness of people
- Free Market Economy
 - Efficient and effective economic activity for meeting the needs of society
 - Sufficient income for the upper class to fund business investment
 - Sufficient income for the middle class to fund economic activity
 - Sufficient income for social issues (healthcare, retirement, etc.)
 - Sufficient transparency of information to maximize efficient free markets
- Democracy
 - Governance of the people, by the people and for the people
 - Separation of church and state, but retain a faith in a higher power
 - Separation of powers within the federal government
 - Separation of powers between the federal and state governments
 - Security and wellbeing (physical, digital, health, etc.)
 - Sufficient transparency of information to maximize effective elections

Balance

Balancing all individual interests and perspectives is the only way to function successfully as a society. The complete and honest consideration of all aspects of issues prior to determining a solution that best meets the interests of all people is required to find balance. Following groups' interests require balance:

- Wealthy and non-wealthy
- Upper class and middle class
- More educated and less educated
- Urban and rural
- Conservatives and liberals
- Alt right and progressive left
- Old and young
- White and non-white
- Christians, Islam, Hinduism, Sikhism, Buddhism, Judaism, etc.

Short-term and long-term perspectives also require balance. Our self-interests are more important in the short term (food, shelter, safety, family, etc.), but the common good is important in the long term for our long-term self-interest. Today we need leaders who will honestly consider the perspectives on challenges and opportunities of all citizens and who are willing to work to find the appropriate balance and therefore achieve long-lasting solutions for the good of all.

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Summary

People can't individually, or even as a group or groups, solve the issues facing government, business, and society; however, people can collectively establish shared values and beliefs and require political and business leaders to find solutions to issues that are balanced for the best interest of all people and reflect those shared values and beliefs. We each need to do everything we can for the development of our best government, economy, and society.

Our best opportunity for success is an equal sharing of information to balance influence and income by adopting the Informed Citizens Goals and enacting an Informed Citizens Commission.

Informed Citizens Goals. Goals that are high level enough for broad support, yet fundamental enough to form a basis for much needed cultural changes.

1. ***Fair Economy***

- A fair sharing of America's prosperity with the middle class
- Quality products for consumers and social responsibility
- Sufficient, but not excessive returns for shareholders

2. ***Trustworthy Leaders***

- Trustworthy leaders will do what's in the best interests of all citizens
- Trustworthy leaders are honest, transparent, and respect others
- Trustworthy leaders result in honest and respectful citizens

3. ***Effective Government***

- Effective government will enact balanced laws that work for all people
- Effective government will enact guidelines for a balanced economy
- Effective government will provide economic and physical security

Informed Citizens Commission. Accomplishing the above goals requires an approach that will be effective in guiding change via market forces and minimizing potentially abrupt and damaging government intervention. The Informed Citizens Commission would be comprised of three divisions:

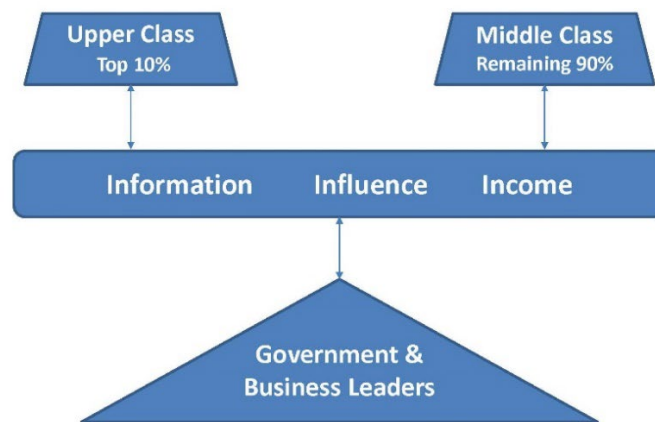
1. ***Employee Information Division*** - an SEC-type entity that would ensure accurate and meaningful corporation reporting to employees for balanced influence and income
2. ***Voter Information Division*** - an FTC-type entity that would ensure accurate and meaningful candidate reporting to voters for balanced and effective leadership
3. ***Representative Information Division*** – an entity that would ensure accurate and meaningful Congressional Research Service reporting on issues to representatives and their constituents

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The impact of the above would be more efficient and effective middle class markets where businesses would evolve their corporate goals and management incentive compensation plans to include maximizing the interests of employees, customers, and communities, as well as shareholders, and representatives would balance the interests of all citizens.

Equal Access to Information Balances Influence and Income



Only an Informed Citizens Commission can ensure Equal Access to Information

Informed Citizens Goals are required for a successful America. An Informed Citizens Commission would accomplish those goals by requiring corporations, candidates, and congress to provide accurate and meaningful information to employees, voters, and representatives, respectively. For more on the Informed Citizens Goals and Informed Citizens Commission see www.informedcitizens.com.