

## **Policy Ideas from NEN members**

Below please find the first download of responses to NEN's request for policy ideas with immediate political traction.

### **1. Dedicate the Estate Tax to... Something**

Believe it or not, there are taxes that the American people accept: gasoline and Social Security taxes. These taxes are dedicated to funding popular programs. The Estate Tax will be perpetually vulnerable unless it is dedicated to something. How about making it the source of the Social Security private investment funds that the conservatives are so fond of? All newborns could divide up the estate tax proceeds and invest it for 60+ years in an equity fund until retirement. Historic rates of return would provide every couple with nearly \$400,000 -- in today's dollars -- when 50% of today's households hold no equities, without touching Social Security.

But if not that... something.

### **2. Fix the Alternative Minimum Tax—by Graduating It!**

The ATM needs fixing. Fix it by dropping any application to the middle class and graduating it for households earning over \$1 million by 1% for each million up to the max marginal rate. Include dividends and capital gains. Eliminate the cap on Social Security taxes and include them as well (with an offsetting credit up to that same floor on the AMT at \$425,000). That raises some \$200 billion annually. Then index it! (Conservatives insist on a break for capital gains? Limit it to venture capital. In other words, no breaks for publicly-traded stocks or unimproved commercial real estate. Then a resulting economic benefit is at least plausible.) It raises more than twice as much money as raising the top marginal rate back to Clinton levels-nearly all from people earning over \$1 million.

### **3. For Corporations: Reduce the Top Marginal Tax Rate, Eliminate Loopholes -- and Institute a Graduated ATM as Well**

Two years ago, Exxon was the most profitable corporation in history -- and received a tax refund? GE follows suit this year? Google's effective rate tax rate isn't 35%, it's 2%. Come on. The top marginal rate for corporations is 35%, but the effective corporate rate is half that—and almost certainly less for large companies. So institute an ATM. But drop the top rate in exchange.

#### **4. Encourage Retired Social Security Recipients to Become Classroom Mentors**

Schools are the province of children and we see how that's working out. Dropout rates of some 50% in urban areas? Weak reading and math scores? If kids aren't getting the parenting they need, as conservatives allege, then we need to get real adults in their lives. Each kid should have one or two mentors teaching them reading, math, etc. In fact, being an elementary or middle school teacher should be as much about managing mentors as teaching classes of as many as 30+ children. Meanwhile we have millions of healthy Social Security recipients who could perform this task.

Teachers Unions will object? Convince them.

#### **5. Exchange Labor's Role of Defending Bad Workers for a Role in Helping to Finance Companies**

Management has changed a lot over the past century. Unions haven't. Lots of socially responsible businesses exist today and guess what: Their managers don't want labor unions either -- because labor unions aren't seen as supporting the success of the business. Rather, they're seen as protecting featherbedding, absentee employees, not to mention those who are drunk or abusive. Labor law should be adjusted so this role of the unions is traded off for the ability of unions to invest a fraction of their pensions in companies they work for. If they had a stake in their business' success, more managers would be open to working with them, rather than fighting them. And this is already going on in the construction industry -- and working. (But if something like this isn't done, in the next century, there will be no

industrial unions.)

## **6. A Sunshine Act for Corporate Subsidies and More Accurate Financial Reporting...**

Think most government efforts are for the poor? Let's find out. How about a quarterly report on corporate subsidies of all kinds? And how about a GDP (income) statement that excludes waste. And, given that business borrows money for assets, a balance sheet for the US that reports what portion of our debt is appropriate as well.

## **7. Scrap "Cap and Trade." Use the Alaska Permanent Fund as a Model to Accurately Price Carbon and Become Energy Independent. Everybody Gets a Check.**

Sarah Palin doesn't oppose the Alaska Permanent Fund. Let's build the "Cap and Dividend" model into the Alaska Permanent Fund and take it national. (In the same way, it becomes a vehicle for executing a "Sky Trust". And since we know the mature industry of fossil fuels receives ten times the subsidy of the innovative alternative fuels industry -- end their subsidies now.

## **8. Start Increasing the Number of Federal Holidays to Twenty Six, Roughly One Every Two Weeks, With the Goal of Creating a Thirty Six Hour Work Week (Sixteen More Holidays) For One, Make Election Day a National Holiday**

## **9. Everybody Who Receives Welfare Works -- and to the Extent Possible, Gets a Living Wage**

Perhaps it made sense at one time to pay women who stay home. But feminism changed all that. Maternity leave, sure. But everybody who gets a check from the government, who is able to work, works -- either for the government or a non-profit.

But, if we're going to require people to work, then we need to pay them. Corporations can't afford to pay everyone a living wage, so

government should explore providing vouchers for child care and transportation sufficient to get people close to a living wage.

If the formerly dependent get private sector jobs -- as many of them will -- that don't pay a living wage, phase this support out as their wages grow. And let teenagers work part-time below the minimum. (The notion that many employers will fire experienced workers for teenagers is just false -- and can be banned regardless.)

Suggestions 1-9 are from Mitch Rofsky, President and CEO of the Better World Club, [mrofsky@betterworldclub.com](mailto:mrofsky@betterworldclub.com) 503-784-9378

#### **10. Expand awareness and mass movement behind the work of attorneys like Thomas Linzey about rights for US citizens and the environment**

Driving new rights into the constitution is essential to make sea change that will in turn give rise to new institutions for redevelopment and re-localizing our economy away from oil dependent global supply-chains that drained capital and skills from the Heartland, and reversing the Bush Era signing statements that usurp Clean Air and Clean Water Acts and de-fang and de-fund EPA and DOI. "Everything else is window dressing," says Linzey!

Here is a place to start on Linzey and his organization Community Environment Legal Defense Fund.

<http://www.ratical.com/corporations/TAL030404.html>

[http://www.idealogy.com/2006/08/thomas\\_linzey\\_1.html](http://www.idealogy.com/2006/08/thomas_linzey_1.html)

Suggestion 10 is from Brett Barndt, [barndtbrett@gmail.com](mailto:barndtbrett@gmail.com)

#### **11. At the national and/or state level: The adoption of alternative indicators, such as the Genuine Progress Indicators, to move us beyond GDP as the sole gauge of progress.**

Suggestion 11 is from Marianne Tyrrell, Esq. Global Energy Fellow Institute for Energy and Environment, Vermont Law School  
<http://www.vermontlawenergy.org/>

**12. At the international level: the merger of financial and sustainability reporting as currently being planned by the International Integrated Reporting Committee, in order to shift the exclusive focus of markets, investors, and corporate executives from financial capital to a balanced accounting of the interplay between financial, intellectual, natural, organizational, and social capital.**

Suggestion 12 is from Bob Massie, Democratic Candidate for US Senate from Massachusetts [www.bobmassie.org](http://www.bobmassie.org)

**13. Recognize the limits to growth and adopt the right macroeconomic policy goal – a steady state economy that features sustainable scale, fair distribution of wealth, and efficient allocation of resources.** A prerequisite to adopting this policy goal is a cultural shift away from "more" (unsustainable consumerist expansion) and toward "enough" (sufficient consumption that fulfills needs without undermining the life-support systems of the planet).

**At all scales from local to international, maintain an exemplary network of conservation areas, sufficient in size and diversity to ensure the long-term provision of vital ecosystem services.** Maintenance of conservation areas implies exclusion of economic activities such as mining, logging, farming and construction.

Suggestion 13 is from Robert Dietz, executive director, Center for the Advancement of the Steady State Economy [www.steadystate.org](http://www.steadystate.org)  
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**14. Stabilize the economy, secure jobs and keep Americans in their homes by allowing qualified homeowners to sell their existing mortgages to a federal agency, modeled on the Home Owners Loan Corporation, in exchange for fixed rate fair interest long term loans.**

Suggestion 14 is from Sarah Stranahan, [coordinator@neweconomynetwork.org](mailto:coordinator@neweconomynetwork.org)