

## Citizen Capitalism: A New Way Forward

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Inequality of income, wealth, and opportunity is recognized as one of the most critical problems facing the United States today. Studies show that the income reaped by top earners continues to grow while the wages of the working class remain flat. The top one percent now take in nearly 24% of all income, compared to 20% in 2013 (and nearly twice as high as in the 1990s). Wealth inequality is more extreme- the top 1 percent owns 37% of total household wealth and the top .01 percent holds 22%, a figure that has more than tripled from 7% in the late 1970s. Socioeconomic mobility is declining while the difference in life expectancy based on one's level of income and wealth is growing. Meanwhile, modern political discourse about the best way forward is often divided along left and right lines. The left generally wants government to step in and regulate business and redistribute wealth to create a more equal society, while the right generally favors minimal government involvement and allocation of resources through market exchange.

*Citizen Capitalism* offers a different way for organizing the economy and alleviating inequality. It is a nonpartisan approach that relies on voluntary action rather than central planning and it is designed to expand access, opportunity, and civic engagement in capitalism. *Citizen Capitalism* calls for establishing a national fund that would be similar to a mega mutual fund (the "Universal Fund") and open to all Americans (free of cost) ages 18 and older. The Universal Fund would be funded by donations from corporations and wealthy individuals. Every participating citizen would receive a single share, supplemental income from returns generated by the fund, and shareholder voting rights. The Fund is designed to grow over time into perpetuity and shareholder dividends would grow as the fund grows. *Citizen Capitalism* seeks to create a fairer distribution of resources. It does this by leveraging key tenets of the American liberal tradition, such as freedom, equal opportunity, and the power of enterprise.

*This policy brief is based on a book I co-wrote with the late Lynn Stout, and Sergio Gramitto, Citizen Capitalism: How a Universal Fund Can Provide Influence and Income to All (Berrett-Koehler 2018). The policy brief presents the framework for the universal fund and offers thoughts on policies that could be designed to implement the fund in the near future.*