

What the forgotten Americans really want – and how to give it to them



By Isabel Sawhill

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America is divided—economically, politically, and culturally. Income inequality is at virtually unprecedented levels. Political polarization has risen to new heights (although the public is less polarized than their elected representatives). And we are sorting ourselves into distinctive cultural tribes that increasingly live in different communities. The proportion of parents who would be disturbed if their child married someone from the opposite party has risen from 5 percent in 1960 to about 50 percent now.

The election of Donald Trump didn't cause these divisions, but his presidency is exacerbating them. With midterm elections fast approaching and the future of our political system at a crossroads, the question on everyone's mind is: what can we do?

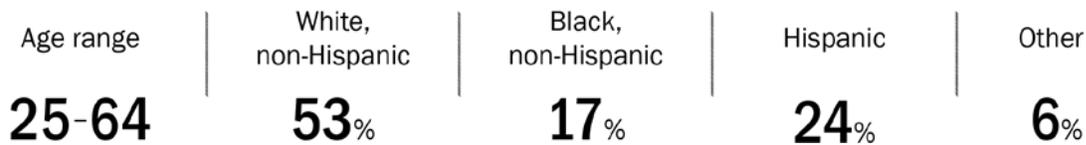
In an attempt to answer this question, I spent the last two years studying people I'm calling the "forgotten Americans"—those who've been left behind by our evolving economy, many of whom voted for Trump. That work gave me some tentative answers, which I've published in my new book, *The Forgotten Americans: An Economic Agenda for a Divided Nation*. But it also reaffirmed how difficult these questions are, and how none of us—myself included—has all the answers.

As part of my research, I met with some of the forgotten Americans themselves. What did they think of my solutions to these problems? I went to Syracuse, New York; Greensboro, North Carolina; and St. Louis, Missouri. The people I spoke to were diverse in terms of age, race, occupation, and political leaning, and had modest incomes—less than \$70,000 a year—and no college degree.

I asked them how they thought of themselves. President Trump had said he was going to pay special attention to "the forgotten Americans"—did they think they were part of that group? Some said they were; others thought he was talking about veterans, or the homeless, or those more disadvantaged than they were. When asked to say how they self-identified they gave a variety of answers from "lower middle class" to "working class." A few spoke poignantly about being raised in "upper middle class" circumstances and then suffering downward mobility as an adult. Someone said she was in the "holding-on-by-your fingernails" class.

Here, I report on what else I heard from them, with the hope that their voices can inform decisions made by our elected leaders.

The Forgotten Americans represent 38 percent of the working age population, are in the bottom half of the family income distribution, and lack a college degree



The importance of values and self-reliance

Let's begin with values. Unless policy reflects widely supported values, representative democracy will not flourish. The broader public simply cannot spend 40 hours a week studying the details of every policy proposed at every level of government. But they want government solutions that reflect their values and priorities—education, work, and family, but especially work.

When candidate Trump told people he had their backs, many believed him. His agenda of restricting trade and immigration and bringing back manufacturing jobs appeared to directly and concretely address their problems in a way that talking more abstractly about boosting growth or redistributing income does not.

In my conversations, I heard over and over again that people want to be self-supporting. Above all, they want decent jobs. They believe they are responsible for what happens to them and rarely blame the “system” or outside forces for their plight. As one participant put it, “I don't trust anybody to take care of me but me.” Another said, “there's an awful lot of personal responsibility that is lacking in a lot of people.” And still another: “I don't think you're a product of your environment. I think that you make your own environment.”

Sometimes I wondered if these comments were just a lot of bravado, a protective shield against misfortune. One unemployed 42-year-old from Greensboro said, “You can't count on nobody for nothing. You've gotta be able to do it yourself and nobody's gonna

treat you the way you want to be treated.” That perspective is admirable for what it says about this individual’s strength of character, but sad in terms of what it says about his faith in his community.

But there was nuance in their reflections on personal responsibility and many recognized that the issue is a tricky one. If someone isn’t doing well in their job or otherwise, they might resort to drugs or alcohol, for example, which would further constrain their chances of getting a job. One Syracuse participant said, “I’ve seen people unfortunately take to self-medicating if their problems start to get overwhelming. But at the same time, it does require a bit of self-discipline. ... you’re in charge of your own life ... if you can’t get a job, you might have to save up to change your field, relocate, get off your butt ... [but] obviously that’s a lot easier said than done.”

“It’s tough right now, because minimum wage is what some people are making after being with the company for ten years, and it’s not fair.”

A few were downright hostile to what they saw as freeloading, complaining about welfare, about big refunds associated with the Earned Income Tax Credit, or about women who “pop out” another baby to get more money. A 42-year-old unemployed worker from Greensboro said, “I grew up on Food Stamps [and] everybody I knew on Food Stamps was milking it.” A 64-year-old computer technician from the same area said, “The Dreamers are milking us to death and the illegal aliens coming into our country [are] getting a free ride on our tax money.” A 51-year-old draftsman from Syracuse captured many participants’ views when he said, “I don’t think it’s the government’s responsibility to take care of people.”

A few others cited circumstances beyond people’s control, such as not being able to afford a car and a lack of good bus transportation to where the jobs were. A disabled participant said, “I have no control over my situation. I was working hard, I was going to

school, I was doing all the things that, you know, you're supposed to be doing. I was in a good field. And ... here I sit."

Yes, I heard some hostility toward immigrants and those receiving benefits, but I heard much more about resilience and a strong sense of responsibility. I heard very little about how the system had let them down, or about what many analysts rather antiseptically and vaguely call "structural factors." Juxtaposed against difficult circumstances, their "can-do" attitudes and sense of responsibility for their situations were deeply impressive. I was the one who felt deep shame that our wealthy country has done so little to make it easier for them to improve their lives.

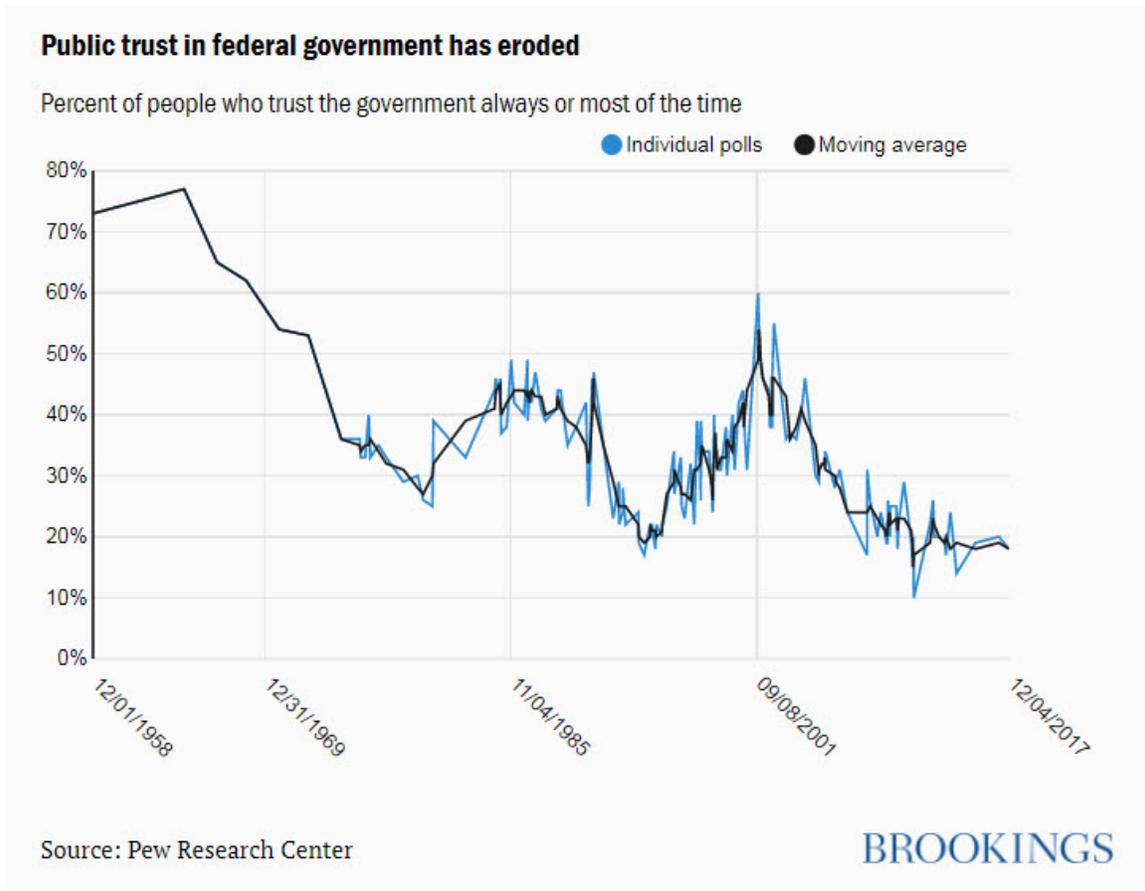
Government is incompetent and out of touch

There was a predictable divide in the political opinions of focus group members, as well as in the degree to which they believed that the new administration was on the right track. Many were reluctant to discuss politics, knowing how divisive the topic can be. But when they did voice a political opinion, it typically related to how ineffective, untrustworthy, and out-of-touch they believe government is, especially at the federal level.

They want better programs and policies, but are wary of the government's ability to deliver. They are deeply cynical about their elected representatives. They complain about sound bites and promises they no longer believe. Another complaint was that everything takes too long. Some said government was a joke. As one person put it, "Usually when government gets involved, it screws things up." After being reminded of the government's budget deficit, one 33-year-old foreclosure specialist from St. Louis said, "Can we send them back to high school finance class?"

Another theme was that the government is simply out-of-touch with ordinary people. A 26-year-old emergency medical technician said, "They don't know what goes on in the day-to-day life of normal people." A 27-year-old, said that "too many of them are disconnected from the common person." A 59-year-old health care clerical worker said that "they have no clue what it's like to live paycheck to paycheck." When asked what

government could do to make life better, she responded, “They could shut up and go home.”



Taking policy ideas to the people

These interviews confirmed what is evident in national survey data: many people distrust government, but also expect it to align with their values. How can policy address the grievances of these forgotten Americans? I took seven ideas to the people I met in Syracuse, Greensboro, and St. Louis, and asked for their feedback. Here’s what I learned.

National service and an American exchange program

I suggested that every high school graduate be expected to give a year of national service (military or civilian) in return for some help paying for college. This is similar to existing programs like AmeriCorps, but I added a new twist: an American exchange program in

which families across the country would volunteer to host a young person from another community while they were doing their service. It's a variation on foreign exchange programs but with an entirely domestic focus.

I was surprised by the almost unreserved enthusiasm for this idea. Some were familiar with the underlying concepts—a few spoke favorably of their experience with AmeriCorps. Those from Syracuse connected the idea with the “fresh air fund,” a program that allows inner city kids to spend the summer with an upstate family. They quickly understood that an important benefit of the American exchange program would be people getting to know those from communities or backgrounds unlike their own. They appreciated the educational benefits as well (although those from New York pointed out that the promise of free tuition at public universities in their state made that benefit less valuable).

Those I spoke to wanted this program to be voluntary, but thought it would help to build a sense of civic pride in the country, teach some basic skills and discipline to the younger generation, provide some needed services, and create a sense of community. As one person noted, TV and social media are creating stereotypes but “then you get somebody in your home and it's like, ‘Oh, whoa! They weren't like that at all.’” A woman in Syracuse who had participated in a foreign exchange program called it “phenomenal” because, she said, it taught her about a different country and culture through the perspective of people who are a part of that culture. A clerical worker in St. Louis said, “it would give people, who maybe haven't seen the other side of the fence, that eye-opening experience. Not everybody lives the way you live. And a lot of young people today don't get that.” She ended by calling it a “win, win, win.” A participant from Greensboro said, “It'd give the kid a perspective on a family or a different community they may not have had contact with before, you know? And maybe, through that perspective, although it might be uncomfortable, it might ... start to ease some of the tension, the stuff that's going on.”

Of all the policy ideas I talked to people about, this one was the most popular. There was a palpable sense that the country is coming apart—socially and culturally—and that this idea had the potential to address these divisions.

More career and technical education

The other clear favorite was providing more career and technical education at every level, linked to the jobs that exist in local communities.

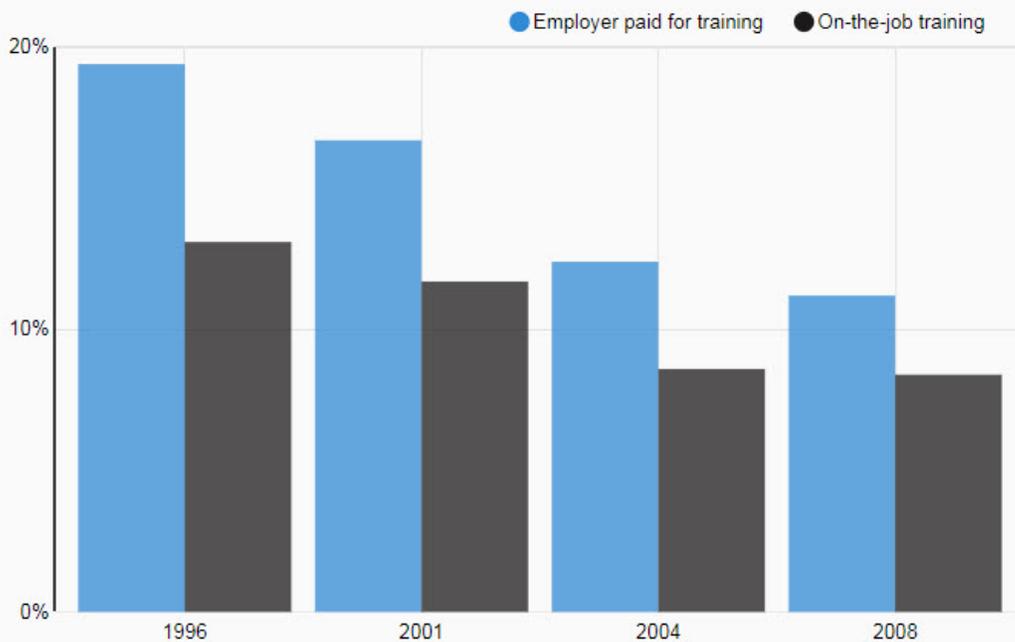
The people I talked with believed strongly that many don't have the education and technical training needed for today's job market. They also liked the idea that skills are something that you can take with you to any job or community.

Participants were critical of the failure of public schools to teach basic skills, such as math and reading, but they were even more critical of their failure to teach life skills such as cooking a meal, changing a tire, balancing a check book, or learning Excel and how to work with computers. As one participant summed it up, "schools are in crappy shape."

They noted teachers' low pay as one possible cause. They spoke of the need to bring back trade schools and apprenticeships and "shop" class in high school. Many understood that "college for all" is the new goal and appreciated its appeal. As one Syracuse participant put it, most "younger people are trying to get a degree because without it they don't have anything." But participants worried that college was both unaffordable and didn't necessarily produce the skills needed in the work place. One 62-year-old clinical researcher in St. Louis said, "Yeah, they sold college. Everybody. College, college, college." He went on to note that despite all the people who were going to college, companies haven't been able to find people who have the specific skills they need. Others were strongly supportive of community colleges. A 27-year-old said: "Community colleges are doing what they're supposed to do, they're filling the gap that's left by expensive universities."

Fewer workers receive employee training

Percent of workers 18–65 receiving job training



Source: Council of Economic Advisers

BROOKINGS

Rewarding work via a worker tax credit or a higher minimum wage

People’s top concern was their wages. Their view was that there are plenty of jobs out there—and they are easier than ever to find because of the internet—but there aren’t enough good jobs. As one participant said, “I can find a job easily at McDonald’s or Taco Bell [but] if I don’t have that schooling behind me,” he couldn’t do better. Or, as another put it, “it’s not that there aren’t jobs out there, it’s do you want to do those specific jobs? ... Do you want to make that eight dollars or seven twenty-five an hour?” An unemployed 58-year-old from Greensboro said, “The economy keeps going up, but our jobs do not.” Another 45-year-old from St. Louis said, “the market has increased but the wages are the same.”

It is not just that wages are low; it’s also that they are not increasing. One 47-year-old retail customer service representative from Greensboro recollected her experience

working for a year in her job and only receiving a 25 cent raise: “I was insulted. I trained all the new employees; I run the store at night.” Others echoed this feeling. A 46-year-old customer service representative from Greensboro said, “Making ten dollars an hour now when I made that ten or fifteen years ago is like a slap in the face. An insult.”

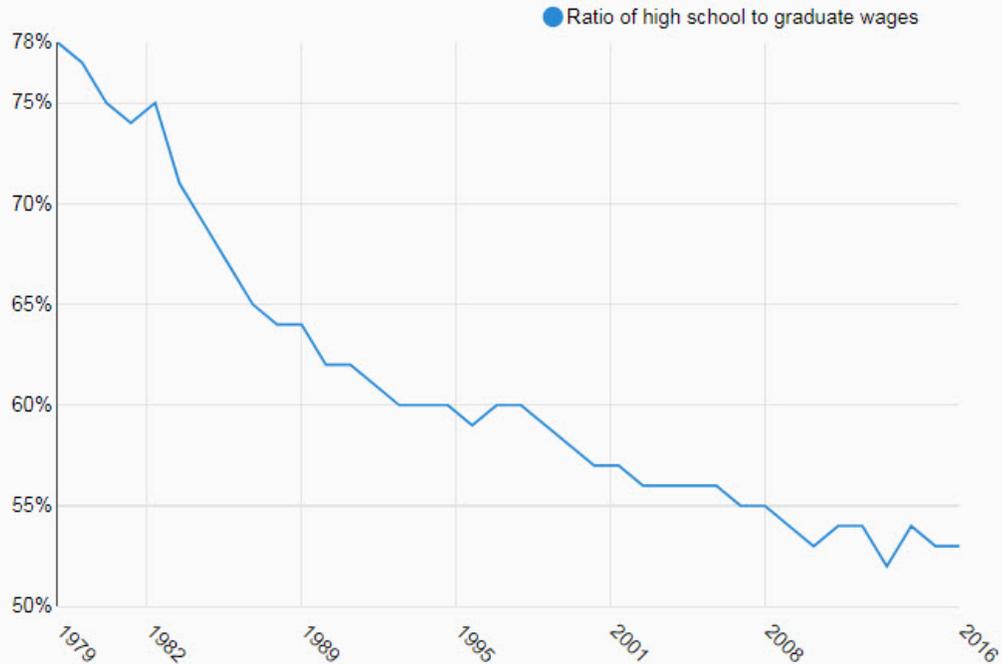
Many expressed how difficult it was to make ends meet. A food service employee from Syracuse said, “I work full time at a food place. I make enough, just enough, but if there was anything that went bad, thank God I have money ... saved up. But if I didn’t there is no way I’d be able to survive.”

To address these concerns I proposed a worker tax credit to boost wages that would function like a simplified and expanded Earned Income Tax Credit (EITC), available to all workers earning less than \$40,000 a year, up to a cap of about \$1,500 a year. Initially, participants had a hard time understanding how the worker tax credit would work. They are not alone. The EITC (which primarily helps single parents, not all low-wage workers) is an incredibly complicated program, which is one reason it has been plagued with error rates. To clarify the policy’s impact, I reframed it as “lower taxes for those making less than \$40,000 a year.” Articulated this way it was very popular, although a few people worried that it would be gamed in some way.

One reason tax breaks for those under \$40,000 were so popular is because participants recognized that people in their situation have many things they can’t afford and believed tax cuts would help on multiple fronts, not just one.

Male high school graduate wages have declined in comparison to college graduate over time

Ratio of male high school graduate wages compared to college graduate wages among males aged 25 years and older



Source: Author's analysis of the Current Population Survey

BROOKINGS

Increase the minimum wage

A higher minimum wage had some strong support, but was not quite as popular as lower taxes for earners in the bottom half of the earnings distribution. I expected some people to be against raising the minimum wage on the grounds that it would reduce hiring—the standard concern among my fellow economists. What I didn't expect was the number who noted that it wasn't fair to pay those in entry level jobs almost as much as what they themselves were making after years on the job. A Syracuse worker said, "I'd say it's tough right now, because minimum wage is what some people are making after being with the company for ten years, and it's not fair." A 41-year-old from St. Louis said, "I want a burger with no cheese and with extra ketchup and you ring me a burger with

cheese and pickles, and you want fifteen dollars, and you're just coming off the street? No way."

Others worried that a higher minimum wage would raise prices. One St. Louis participant said, "If McDonalds has to pay somebody fifteen bucks an hour, my fish sandwich is going to be nine dollars. I really like the fish sandwich."

A bigger role for the private sector

What if we reformed the business tax code to encourage employers to invest more in—and share more with—their workers? Given their deep distrust of government, I argue that the private sector should be a key part of efforts to improve the lives of this group of forgotten Americans. Some of the \$1 trillion in corporate tax cuts in the 2017 tax law needs to be reallocated for this purpose. What I heard from those I spoke with indicated I was definitely on the right track with this approach.

Participants believed that employers are trying to skimp on providing the wages and benefits they once offered by hiring temporary, part-time, or contract workers. When asked what should be done in addition to providing better pay and benefits, a few even specifically suggested the approach I emphasize in my book: encourage businesses to share profits, provide broad-based stock options, and offer matching 401k contributions to more workers.

Most participants thought that employers should pay for performance and cut CEO pay, but they also wanted more appreciation and respect, not just more money. One 60-year-old cashier from Greensboro noted that employees aren't given enough recognition for their loyalty to a company or their commitment to being part of a team, saying, "they should get special recognition, even if it's a piece of paper that says you did a great job this year." A 34-year-old community specialist said, "because of people's wages, lack of training and all the other things that we discussed, a lot of people go into their jobs and they absolutely hate it but they know they have to go to work to provide for their self." A worker in St. Louis said, "you get a really vicious circle going because people develop a

bad attitude, so they don't have any loyalty to the company, the company doesn't have any loyalty to them." A St. Louis participant said, "It's like [employers] just didn't care, it's like you're more of a number than ... a person they hired." This kind of resentment may be reducing productivity in ways that are hard for businesses to recognize.

I came away sad for the narrative we've developed in this country that says we live in a meritocracy and the government is broken.

One view I heard a lot was the fact that credentials are often rewarded more handsomely than experience. This also creates resentment. Focus group members felt that experienced workers had the know-how that those with more education did not. They were concerned that the younger generation was getting degrees that weren't useful in the workplace. As a Syracuse participant put it, people who have experience should "be able to get more money than someone who just walked in the door."

They also noted a Catch-22. Many jobs require experience or training, but how do you get that experience and training if you can't get into a job that provides it in the first place? Along these lines, others agreed that employers should prioritize hiring from within and provide more opportunity for advancement within a company.

People don't feel secure, either. They noted that a lot of jobs are now done by temps and that contract work is more common. As a Syracuse participant put it, "I think we're all easily replaceable." And another said, "they don't have to give you a reason to fire you." I asked about the role of unions in improving their lives, but got few responses, perhaps because membership has declined to very low levels.

Jobs are not only poorly paid and less secure but are, in the view of many I talked with, becoming more demanding. As an unemployed 58-year-old remarked, "a cashier used to be a cashier. Now you're a cashier, you unload trucks, you fill stock." Another member said his job had become much more demanding once his department was cut in half.

When he couldn't keep up with the new workload, he was let go. Another said, "Everything's just go, go, go. If you're helping a customer or whatever, you have to wrap it up."

One person summed up the situation: "People on top make the most money; people on the bottom who are doing the hard work get the least amount of money, least amount of respect, and they're threatened with 'if you don't like it' you can leave. ... There used to be a time where if you didn't like it, you could leave and there were plenty of jobs to go to, so working people had more power than they do now."

Health care, child care, and paid leave

Affordable health care probably topped the list of these three issues people worried about, but there were plenty of complaints about the high cost of child care and a lack of paid leave as well.

My suggestion of government subsidies to cover or reduce the cost of child care was popular, but not universally—in part because not everyone has children at home. As one participant put it, "I'm past that point in my life." But in addition, some participants didn't have confidence that government-run programs would be effective or that the quality would be what it should. Still, they recognized that child care is a very large expense for most families and thus a real challenge, especially for single parents. One parent said, "I don't make enough in an hour to put two infants in day care. They're like fifteen, twenty dollars an hour per child and that's what I make in an hour."

Paid leave also got some attention, especially in Syracuse. Both a 36-year-old warehouse worker and a 25-year-old father who was unemployed put paid leave at the very top of their list of priorities. The latter said, "I just had my twins and that really put a big stop on my life. I had schools I wanted to go to. I had things I was gonna do." Two other participants talked about relatives who had had cancer or some other serious illness and noted that the lack of paid leave decimated their incomes and drove them into poverty and dependence on government assistance.

Higher taxes

To pay for a worker tax credit or other new benefits, I considered a value added tax, a tax on carbon, or a tax on big estates as a way of offsetting the cost of reducing taxes at the bottom.

Individuals I talked with were extremely divided on whether taxes should be increased or lowered. As noted earlier, many believed that taxes on modestly-paid individuals should be lowered. Yet, when confronted with the fact that the federal debt was large and growing, and that new tax cuts would be expensive, quite a few resisted the idea that anyone needed to pay more.

However, others were amenable to the idea of higher taxes, especially on the wealthy and especially if the revenues were earmarked for something specific. Participants in Greensboro were mostly enthusiastic about higher taxes on the wealthy, suggesting that “the billionaires” wouldn’t miss the money and that the revenue could do a lot of good. Others noted that taxes are critical to paying for the services that government provides, and that the country simply cannot afford the kind of tax cuts that have been handed out in recent decades.

Many participants liked the idea of a flat tax. I was surprised that they mentioned this idea, which implies that everyone would pay the same percentage of their income in taxes. But it dovetails more with a value added tax, the equivalent of a national sales tax, than with a progressive income tax. It might be regressive but need not be if the revenues are used to benefit the bottom half and an income or wealth tax is preserved for those at the top.

It’s time we ask ourselves how long our democracy can survive when so many of its people have lost faith in their government.

Among those who were not in favor of higher taxes on the wealthy, the opposition was based on their belief that the wealthy “worked hard for their money,” so “why are we gonna beat them up for it?” But much of the skepticism stemmed from uncertainty about how current taxes are being used. As one 39-year-old from Greensboro put it, “We’re already paying taxes that we don’t know where they’re going and if they’re being used properly! So ... let’s fix that first. And then maybe we’ll think about paying more, but you gotta have a good reason.” And a St. Louis participant said she was against higher taxes on anyone “because they already waste enough of our money as it is.” Some wanted to make the taxes they paid conditional on what they were to be spent on. As a St. Louis participant put it, “I pay one percent income tax in the city and that one percent supports the free museums and the zoo and stuff, and I feel way less bad about paying those taxes than I do about paying my federal income taxes.” This individual’s views also illustrated another theme: more acceptance of paying taxes for specific benefits at the local level than for a far-away government in Washington.

Overall, their comments suggested that many working class individuals are opposed to higher taxes, even taxes on the wealthy. Liberal elites who think that we can redistribute income between the rich and the poor don’t understand the definition of fairness that most ordinary Americans hold: If you earned it, no matter the amount, you should get to keep it. My proposal to tax large estates in the same way that they were taxed in the 1970s—thereby raising roughly \$1 trillion over a decade—makes huge sense to me but would run into this kind of opposition.

The bad news, then, is that ordinary Americans see value in many kinds of help that government might provide, but—given their mistrust, their uncertainty about how the funds would be spent, and their meritocratic belief that people deserve whatever they earn—finding a way to pay for any new benefits looks challenging at best and impossible at worst. Many preferred cutting programs or government expenses they didn’t like. They talked about abuse of the food stamp program, about the costs of supporting “Dreamers” and “illegal aliens,” about the cost of military parades, or special phone booths, or

sending the National Guard to the border. They have not focused on the dollar magnitudes involved and the mismatch between the savings from things they think can be cut and the cost of the things they support—such as Social Security and Medicare.

Rebuilding trust

This summary of what I learned comes with many caveats. Though I spoke to a few dozen people in three states, their voices are of course not representative of the whole country, and interpreting what they said is inevitably somewhat subjective. However, I think too few of us take the time to listen to what those we think deserve better really want. Like many researchers, I have scoured the literature and the data on these issues and written it all up in a book. Listening to these forgotten Americans reinforced many of my ideas, suggested that others may be naïve, and above all, deepened my understanding.

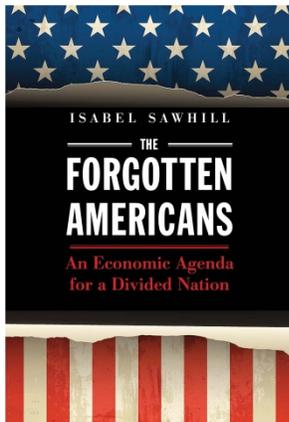
I came away sad for the narrative we've developed in this country that says we live in a meritocracy and the government is broken. The common theme is that if you're having problems, it's your fault and no one else's. Even if you want help, you're not going to get it from elected officials who care more about themselves than they do about ordinary citizens. I see a vicious and harmful cycle in this narrative. The less government is seen as willing or capable of addressing people's problems, the more the cynicism about it grows. But that cynicism, in turn, breeds a dysfunctional politics that makes a constructive response to the challenges we face virtually impossible.

People voted for Trump for many reasons: party loyalty, dislike of the alternative, resentments against immigrants or other groups, and voter manipulation by Russia or others. But the narrative that rose to the top in my conversations is too important to ignore: Some Americans are disgusted with how government has been working (or more accurately, not working) and they want change—any change. When that change is not forthcoming, or doesn't address their concerns, cynicism can only grow.

My main message to liberals is that a new set of big and expensive government programs may appeal to liberal elites and political activists, but will not appeal to the average voter.

My main message to conservatives is that all their rhetoric about government being the problem has taken hold—but faith in the market and in corporate America as the solution has not. Americans are arguably just as upset about the failure of corporate tax cuts to solve their problems as they are about various forms of welfare.

Still, there was much that I found inspiring in these conversations: the essential decency of the people I spoke to and their resilience in the face of a job market that has turned against them. These forgotten Americans deserve so much more than what they've been getting. They are survivors, for sure. But it's time we ask ourselves how long our democracy can survive when so many of its people have lost faith in their government.



Isabel Sawhill, a senior fellow at the Brookings Institution, is the author of *The Forgotten Americans: An Economic Agenda for a Divided Nation*, Yale University Press, 2018.

This essay is intended to contribute to discussion and stimulate debate on important issues. The views are solely those of the author.