Addressing America's crisis of despair and economic recovery: A call for a coordinated effort

Testimony to the House Select Committee on Economic Disparity and Fairness in Growth

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To Chairman Himes and Members of the House Select Committee on Economic Disparity & Fairness in Growth:

I thank you for the opportunity to testify today on how our social crisis of despair affects the sustainability and equity of our economic growth in general and the ongoing economic recovery from COVID-19 specifically.

My name is Carol Graham, and I am a long time Senior Fellow at the Brookings Institution, a professor at the University of Maryland, and a Senior Scientist at Gallup. Almost two decades ago, I helped pioneer the inclusion of well-being metrics in economic analysis as a method to measure the non-income dimensions of human welfare. The approach has gone from the fringes of economics in the early 2000's to the mainstream today; it is used by governments around the world in statistics collection and in policy design and evaluation; and most recently has proven a critical tool for in assessments of the welfare and mental health effects of the COVID pandemic.

As a result, the approach has gradually found its way into many U.S. surveys, such as the Fed Shed, CDC and HHS, and the Census Pulse, among others. Well prior to COVID, the stark patterns of ill-being in these data – which my research finds match robustly with the trends in deaths of despair and the exacerbation of the trends in 2020 – highlight the urgent need to address our crisis of despair as part and parcel of our economic recovery efforts. We cannot have a sustainable or equitable recovery and future growth process with significant proportions of our prime-aged population out of the labor force due to despair - and the damage these trends have had on already disadvantaged and declining communities.

My testimony, which is based on my research and on the inputs of a collaborative working group that I led at Brookings from April to July, aims provide detail on the many facets of the problem, and to highlight a range of lessons based on past and ongoing experience which can inform practical solutions. A major theme is that such an effort requires high level federal collaboration and logistical support, or solutions will remain isolated and siloed.

[A link to our working group report (including a list of the members) is here:

https://www.brookings.edu/research/addressing-americas-crisis-of-despair-and-economic-recovery/

This testimony draws heavily on that report.]

Summary

Despair in American society is a barrier to reviving our labor markets and productivity, jeopardizing our well-being, health, longevity, families, and communities—and even our national security. The COVID-19 pandemic was a fundamental shock, exacerbating an already a growing problem of despair.

This despair in part results from the decline of the white working class. It contributes to our decreasing geographic mobility and has political spillovers, such as the recent increase in far-right radicalization. At the same time, other population groups are also suffering, for different reasons, adding to the complexity of the problem. Over past few years, for instance, suicides increased among minority youth and overdoses increased among Black urban males (starting from a lower level than whites but now exceeding it).

Policy responses have been fragmented, with much focus on interdiction or ex-post treatment rather than on the root causes of despair. There are local efforts to boost the well-being of vulnerable cohorts, but most are isolated silos. There is no federal level entity to provide the vulnerable with financial or logistical support, nor is there a system that can disseminate relevant information to other communities seeking solutions. While federal agencies—such as the Centers for Disease Control (CDC)—track mortality trends, no coordinated system tracks the underlying causes of these deaths. In contrast, many countries, such as the U.K. and New Zealand, track trends in well-being and ill-being as part of their regular national statistics collection and have key leadership positions focused exclusively on these issues.

This testimony proposes a new federal interagency task force to address our nation's crisis of despair as a critical first step to sustainable economic recovery (and could begin by collaborating with some existing efforts, such as the recently formed community well-being and resilience group, which combines government and NGO efforts.ⁱ) The proposed task force would provide a more over-arching role and both monitor trends and coordinate federal and local efforts in this arena. We identify five key areas the task force could monitor and help coordinate: data collection; changing the public narrative; addressing community-wide despair as part of the future of work; private-public sector partnerships; and despair as a national security issue.

1. The case for a federal task force

Despair in American society is a barrier to reviving our labor markets and productivity, it is jeopardizing well-being, health, longevity, families, and communities—and even national security. The COVID-19 pandemic was a fundamental shock, exacerbating an already a growing problem.

Before the pandemic, the U.S. boasted robust stock markets and record low levels of unemployment. Yet those numbers masked the roughly 20 percent of prime aged men (ages 25-54) who had permanently dropped out of the labor force (OLF)—i.e., neither employed nor searching for work.ⁱⁱ From 2005 to 2019, an average of 70,000 Americans died annually from deaths of despair (premature self-imposed deaths due to suicide, drug overdose, and alcohol and other poisonings), with the numbers increasing gradually over the period. These deaths are concentrated among less than college educated middle aged whites, with those out of the labor force disproportionately represented.ⁱⁱⁱ Low-income racial minorities are significantly more optimistic than white people and much less likely to die of these deaths.

Sadly, this changed a bit in 2018-2019, due to the spread of Fentanyl use among urban Black men and to the COVID-19 shock more generally. There were also worrisome increases in suicides among Black, Hispanic, Asian, and Pacific Islander youth (15-24) in these same years. These trends merit more attention going forward. As such, while much attention has gone to the despair of the white working class, despair is a broader social problem, albeit with different causal mechanisms across different cohorts, complexifying the problem even more. The most recent CDC estimates for overdose deaths in 2020 show a 30% increase compared to 2019, reaching 90,000 overdose deaths in 2020.

Despair among the white working class reflects the negative effects of several waves of manufacturing decline. In contrast, minorities have made gradual, if difficult, progress in narrowing education and longevity gaps, and their high levels of hope and resilience have played an important role during this period. White despair contributes to decreasing levels of geographic mobility, viii it reflects in our cognitive skill "deserts", ix and has political spillovers. For example, counties with more respondents reporting lost hope before 2016 were more likely to vote for Donald Trump. White males out of the labor force, middle class whites with high levels of debt, and whites from towns with high levels of fear of being "replaced" by growing minority populations were disproportionately represented among the protestors who stormed the U.S. Capitol on January 6.xi

More generally, a wide body of evidence shows the long-term costs of prolonged unemployment on mental health. Indeed, it is one of the few life events that people do *not* adapt back from—meaning they do not return to their pre-event well-being levels over time, even though they adapt to many others, such as divorce or income changes. There are also spillover effects to the spouses of the long-term unemployed, which can lead to relationship breakdown and poor parental mental health. The latter, in turn, particularly for mothers, has negative effects on children's outcomes which reach into later adulthood.^{xii}

The prohibitive costs of health care in the U.S.—and the links between employment status and health insurance—make the cost of "failure" particularly high. Lack of hope, defined here as the will to live and aspirations for the future, is a key factor. Despair describes the plight of the many that are ambivalent about whether they live or die. The latter impacts risk taking, as in behaviors that jeopardize health and longevity. Entire communities can experience this helplessness, especially when they are confronted with difficult choices and change. They are often stuck in two worlds, with the old ways that held some meaning disappearing, while the changes needed to succeed in the new one seeming impossible in the absence of support. Death (slow or fast) becomes the simplest choice to stop the pain. Drug use and

suicide are internal expressions of this, while expressed misery frustration, and anger—which have security implications when widespread—are external ones. xiii

Policy responses to this complex problem have been fragmented, with more focus on drug interdiction and treatment to prevent deaths than on the root causes of despair. Even the public health efforts devoted to the problem do not have a strategy to address these, nor do these efforts and those dedicated to economic development coordinate with each other. There are many local efforts to boost the well-being of vulnerable cohorts and communities, but most are isolated silos. There is no federal level entity to provide financial or logistical support to these bottom up efforts, nor is there a system that can disseminate relevant information to other communities seeking solutions. While federal agencies—such as the CDC—track mortality trends, no central system tracks the underlying causes of these deaths, especially their psychosocial correlates.

Our research based on well-being metrics shows that significant drops in hope among less educated white males preceded deaths of despair by several decades. These same metrics track robustly with other measures of psychosocial stress, such as reported depression, anxiety, and anti-depressant use. Had we been measuring well-being regularly as a complement to GNP in our statistics, we could have helped avert a crisis of premature mortality.

This testimony provides a range of workable solutions to address our nation's crisis of despair as part and parcel of the efforts to revive our economy. The organizing principle is the need for a new federal interagency task force to coordinate existing and new efforts to address addiction, despair, and economic recovery – including the recently formed community well-being and resilience group - as a critical first step, making the whole greater than the sum of its parts. This task force would also support and coordinate new efforts to monitor trends in well-being and ill-being in a range of federal agencies, ranging from Federal Reserve and Bureau of Labor Statistics (BLS) surveys, to those in Health and Human Services (HHS), CDC, and the Census Bureau, which emerged as a response to the mental health threat the COVID-19 shock posed to millions of peoples' livelihoods.

The task force would also coordinate with federal efforts to address community decline due to the disappearance of jobs and opportunities and subsequent disinvestment. Without a dedicated and coordinated effort, the large cohort of workers that have simply dropped out of the labor force and have lost hope of having a purposeful existence—among others—will continue to suffer *and* remain a barrier to a full social and economic recovery. This in turn will make it more likely that their children will become the next generation in despair. Our broader social crisis of despair, meanwhile, is a threat to our nation's health, well-being, and social cohesion, and even to our national security.

2. Data: What we measure is what gets managed

There is an increasing cross-country consensus on the need for national level well-being data as part of regular statistical collection efforts. In the U.K., for example, adding well-being metrics into the Office of National Statistics surveys was critical to advancing a broader well-being policy approach in the Treasury and other agencies. This effort also included educating people about the metrics: how they are collected, what they measure, and how to interpret the scales. Most important is that the public understands that these metrics are based on how people assess *their own* lives, lived experiences, and moods. It is not the government or any other influencing force telling people how to be "happy".

The U.S. is one of the only wealthy countries that does not collect nationwide well-being data. In addition, it does not have a sentinel indicator of well-being—such as national average life satisfaction—that can be compared across individuals and population cohorts (age, gender, race, and income) over time, in the same way that health, poverty, unemployment and other standard indicators such as are. A sentinel indicator could be added to the Principal Federal Economic Indicators (PFEIs), which could be renamed Principal Federal Social and Economic Indicators. This would signal a reorientation of the traditional federal focus on economic growth (as measured by gross national product or GNP, and per capita income) towards economic development, which seeks to broaden the range of progress indicators to include well-being and the performance of institutions that enhance it.

As noted above, there has been some progress in well-being metric collection across the agencies in the U.S. in the past year, in large part due to COVID-19, and these efforts have involved outreach to some experts (including some members of this working group) for comment. Yet, at this juncture, the efforts are not coordinated with each other, nor are they using the best practice measurement guidelines that were established jointly by the OECD, the U.K. Office for National Statistics (ONS) team, and our own National Academy of Sciences panel on well-being. These guidelines were designed to establish best measurement practice and to harmonize the metrics so that they are comparable across countries.

The new U.S. efforts primarily focus on metrics of ill-being, such as anxiety, depression, and worry. None of them include a standard positive well-being measure, such as life satisfaction. This leaves us without a baseline to assess the difference, for example, between temporary COVID-19-related drops among those with reasonable or average levels of well-being and the exacerbation of pre-existing trends among already vulnerable low-well-being individuals or cohorts. This is a lost opportunity to make this new data robust and comparable at the national level. Correcting it by adding in life satisfaction and a few other related measures (such as hope for the future) and coordinating on issues of question order, framing, and scaling, for example, would be relatively simple and inexpensive.

Well-being data reveal issues and trends that standard indicators often miss. These data are particularly well-suited to capturing health and other inequities across race, gender, and income cohorts. These are often revealed by differences in expectations and norms about what is "good" health, for example, and often show up as paradoxes in which cohorts with worse objective health conditions report higher levels of health or life satisfaction in part because they have adapted to poor norms of health. This in turn affects their behavioral response (or lack of response) to new incentives and their trust in the health system more generally. Understanding these paradoxes is critical to resolving persistent health and other inequities.

There are now also ongoing efforts to include less well-known dimensions of well-being, such as hope for the future and eudaimonia (purpose and meaning in life), as well as loneliness and worthwhileness. These concepts are becoming standard components of well-being measurement. Recent research finds that hope is more closely tied to individual investments in better future outcomes than is life satisfaction, for example. The skill acquisition aspects of eudaimonia (such as the role of creativity), meanwhile, provide natural bridges from well-being to initiatives on the future of education and the future of work. There is much to learn from experience with using these new metrics in other countries like the U.K., as well as the research that is testing their validity, reliability, and predictive qualities.

At this juncture, a key objective of the task force would be to coordinate the existing efforts within the agencies to produce a harmonized set of publicly available national well-being data, that is based on best practice in the measurement guidelines and that is collected and reported on an annual or even semi-annual basis. Having national level data is the starting point for crafting policies and policy priorities that

emphasize the well-being of our society as part and parcel of making economic and other dimensions of progress, something that the task force would also help coordinate.

3. Changing the public narrative

Simply putting well-being metrics into our statistics is not enough. For the metrics to be useful and make a difference, we need to change the narrative around well-being. If public understanding is limited, as noted above, it will be perceived as a "fuzzy" attempt to make people happy, rather than one that provides individuals and policymakers with better tools to understand and improve societal well-being. Furthermore, evidence shows higher levels of well-being are associated with better outcomes in the labor market, health, and social arenas, among others. *xxii* Higher levels of individual and community well-being are associated with better outcomes for entire societies. Countries with higher levels of well-being also tend to have higher levels of public trust, which leads to better outcomes in handling public health crises, as is clear from the COVID-19 experience. *xxii*

We need to introduce well-being as a complement to GNP that is part and parcel of our standard assessments of economic and societal progress. The two sets of metrics provide complementary information. When they run in different directions—as in the case of the steep decline in life satisfaction and increase in mental health reports and suicides during China's rapid economic growth boom in the early 2000s (and more recently in India from 2007-2021), well-being metrics serve as warning indicators of problems that the income based indicators do not capture. xxiii

The political economy of this can be difficult. Various members of our working group have experience in getting the metrics into national statistics and the policy arena. Lord Gus O'Donnell, the mastermind of achieving this in the U.K., notes the importance of language, explanation, and presentation. The term "happiness", for example, evokes the notion of "how to be happy" rather than a robust measurement science that applies to policy. The experience shows that well-being is a much more comprehensive and useful term. It also helps get around the stigma that often surrounds mental health, as well-being includes both the traits that make up positive psychology, such as positive moods, life satisfaction, and optimism and indicators of poor mental health, such as anxiety and depression.

Transparency in terms of why and how it is worth re-allocating resources to well-being—and how that can save money in the long run—is also important for public understanding and buy-in from policymakers. A recent proposal out of the University of California, Irvine, led by workshop participant Professor Rimal Bera, introduced regular universal screening for depression among the approximately 55,000 K-12 students in the Irvine Unified School District. To garner interest in this idea to school board administrators, the point that the school district would gain the funds that are usually lost to missed student school days was part and parcel of getting buy-in from them. This could have life-long benefits, meanwhile, as the despair of adults often has roots in the child and teenage years. This hinges on depression screening being routine, in the same way that vision, hearing, and physical exercise indices are required by most school districts. The self-screenings take most students about 1 minute to complete.

A related issue is that we spend six times more money on patients who experience overdoses and/or other related conditions than we do on policies that help prevent them. Because we wait to address depression, substance use, anxiety, trauma, and other clinical manifestations of despair until 8 to 10 years after symptoms begin, xxiv medical costs are often three to six times more, xxv and they also result in billions of

dollars in lost productivity. *xxvi Prevention also saves people's lives. A related example is the broad literature that shows that over time there are more military veterans lost to overdose deaths and suicides than from deaths in active combat duty - a shocking statistic that merits public attention. *xxvii*

The language with which we introduce well-being to both policymakers and the public matters, as does having concrete examples. Essential to this is highlighting examples of new initiatives that not only highlight well-being and mental health, but link these to the functioning of the rapidly changing economy, as does the OECD's Neuroscience-inspired Policy Initiative. *xxviii* It poses that brains are indispensable drivers of human progress, and that good brain function and key brain skills should be placed at the center of a new narrative to fuel economic and societal recovery and resilience. Given the critical need to nurture healthier, more resilient, and increasingly flexible brains, the initiative has introduced the concept of "Brain Capital"—broadly defined as a form of capital which prioritizes brain skills and brain health. *xxix*

The initiative aims to support the brain skills workers will need to navigate labor markets in the future. This is particularly important to those in the rapidly changing low-skill sector. It highlights the need to address brain skills over the life course, from addressing mental health issues early on (as does the UC-Irvine proposal) to those that affect increasing numbers of elderly, such as dementia, as lifespans grow longer, sacrificing an incredible amount of accumulated skills and creative potential.

Well-being is important on its own accord, as myriad empirical and policy papers from around the world demonstrate. Yet the political economy of introducing it, particularly in more skeptical contexts such as the U.S., suggests that making the established linkages between well-being and productivity, longevity, mental and physical health, creativity, and more, will be an important part of educating the public and achieving buy-in from policymakers.

4. Addressing community-wide despair as part of the future of work and education

Addressing community-wide despair is key to our economic recovery. It is a prominent feature of our landscape, particularly in suburban and rural places that were dependent on mines and manufacturing firms in the past. These have long since shuttered, leaving behind entire communities without jobs and opportunities and, equally important, no narrative for the future. The supporting shops and restaurants disappeared once the firms left, and stable marriages and community support faded along with the jobs.

These same communities tend to be those with a high concentration of prime aged males out of the labor force, and white men in particular, has resulted in geographic clusters where significant parts of the population do not have either the aspirations, skills, or health to move to jobs elsewhere, even if they are available in places that are relatively close by. The diseases and deaths of despair follow apace. Lack of investment and pervasive hopelessness are a vicious circle in which individuals *and* their communities enter a spiral of decline. Addressing this issue requires connecting the mental health treatment side of the problem with the community revival and resilience efforts. For the most part, these operate as separate worlds. It also requires acknowledging the difficulties inherent in focusing on the plight of uneducated white men, while at the same time recognizing that they are in many ways privileged.

Turning these places around—or at least the ones that can be turned around—hinges not only on new kinds of economic activity but also on restoring hope. While there are no magic bullets, there are myriad lessons from the well-being literature that can be replicated and scaled up. Recognizing the trauma that has occurred at the collective level is a beginning, as is engaging the people of a community in recasting their narratives, this time with a focus on what strengths and capacities they have. Creating programs that

promote resiliency are a natural outgrowth of this. This can be as simple as getting isolated and/or depressed individuals who are unlikely to re-enter the labor market out of isolation via programs that encourage volunteering, participating in the arts, and group activities outdoors.

Reaching the next generation, though, requires supporting them in developing the tools they will need to participate in new labor markets. This requires access to new skills acquisition and information about the kinds of opportunities that are or will become available. These opportunities do not always require a college education, but rather understanding the types of skills are needed to participate in new kinds of jobs (such as medium technology or the soft skills that are part and parcel of the changing service sector).

Yet without hope *and* agency—which often hinge on some sort of mentor—it is unlikely that young adults in deprived communities will take up opportunities, even when they exist. Graham's survey research suggests that having either a parent or a community member supporting the aspirations of such young adults is key to their efforts in achieving them, while those who lack this kind of support is a substantial barrier to their success.** Remarkably, among low-income cohorts, minority parents are more supportive of their children pursuing higher education than are white ones.

While the problem is daunting, there are a variety of ways in which individuals of all walks of life can do to provide the critical mentorship that helps young adults in deprived or fading communities avoid the fates of their parents. These include setting up networks that link high schools in deprived areas with schools in other parts of the country, via virtual joint classes, creating new contacts for students, and sharing best practices among teachers. These networks can also help link schools with local colleges and businesses for exposure to college level courses and job placement schemes, along with providing advice on next steps on the educational and career ladder for students. Equally important is encouraging private sector professionals and their companies to establish long-term volunteering and sponsorship relationships with schools and community organizations in struggling regions. xxxii

There are lessons from bottom-up, place-based solutions, many of which emphasize the assets that communities have and can build on. The City of Santa Monica, led by Julie Rusk, introduced the first municipal project to measure and improve community well-being, supported by a Bloomberg Philanthropies grant. That effort used an annual city-wide well-being survey to re-frame a host of municipal priorities and policies, including budgetary policy. An important focus was addressing deep inequities in health, income, and well-being across race and income groups in Santa Monica.

Portland Community Squash is an initiative based on access to sports, the arts, and education, which helps integrate immigrants and deprived groups into the city via support for K-12 education, mentorship, and navigating the college entrance process, via donor funding and a dedicated staff. The basis in sports and in the friendships that the young participants make has helped parents from diverse backgrounds fit into what was a homogenous white community. It is being scaled up in several cities around the country.

Finally, the What Works Well-being Centre, led by Nancy Hey, which was formed as part of the U.K. overall well-being initiative but is also supported by external grants, aims to support the design and evaluation of well-being interventions. The Centre funds competitive proposals from academics, and then gets outside reviewers to evaluate the outcomes from a cost-benefit perspective (in terms of income and well-being) and in terms of generalizability and scalability. The lessons from the Centre span a range of activities, from the impact of volunteering and access to the arts on deprived communities to well-being at the workplace to addressing loneliness and mental health issues during COVID-19. Equally important is that the work and findings of the Centre are made available as public goods and are part and parcel of the discussions of how best to incorporate well-being into policy decisions in government agencies. *xxxii*

There are also efforts, particularly in the mental health arena, in the U.S. that could be taken to scale. Key to these efforts is integrating mental health and primary care. Primary care-based approaches can help detect and treat despair-driven mental health and substance use disorders. The Collaborative Care Model (CoCM), for example, aims to improve overall health outcomes and has bent the cost curve with the savings primarily derived by improvements in co-morbid diseases that depression worsens, like diabetes and hypertension, as well as improving outcomes for opioid use disorders. The Meadows Institute has modeled the potential effects of universal access to just two evidence-based treatments in primary care—CoCM for depression and Medication-Assisted Treatment (MAT) for addiction—and projects that this could save almost 40,000 lives a year from suicide (14,500) and overdose (24,000). **xxxiv**

As most mental health conditions emerge during school years, efforts to expand detection and early intervention in schools have promise, as in the case of the above-mentioned Irvine proposal. Efforts in Massachusetts and Texas focused on urgent access have shown potential for rapid scaling. xxxv

There are some examples of resilience centers, meanwhile (such as the resilience based-efforts in the Maryland Behavioral Health Administration's child and adolescent programs, which focus on lessons tailored to different age groups, from pre-school through high school. XXXVI Integrated Community Therapy, meanwhile, is a technology-based tool developed in Brazil that aims to connect people in a community around the solution of common life challenges. The approach is a promising basis for other public health interventions that go beyond the dyad of the clinical model. It is a form of "solidarity care" in which the formation of a sense of community is a key feature of therapy (www.visiblehandscollaborative.org).

These examples provide a "toolkit" for the kinds of things a coordinating task force could provide to help connect the mental health and community-based worlds. It also drums home the point that the role of the task force is not to reinvent the wheel but to build from the many existing promising efforts, and make the whole greater than the sum of its parts via information sharing and logistical support.

Importantly, key philanthropic actors have begun to actively support well-being as a tool to revive communities. The National Endowment for the Arts has been supporting the role of the arts in enhancing community-wide well-being. The Robert Wood Johnson Foundation has supported efforts exploring how different communities around the world are focusing on enhancing well-being—with an emphasis on what lessons could be applied in the U.S.

These efforts link naturally to the critical questions surrounding the future of education and of work. The skill acquisition aspects of well-being provide natural bridges to initiatives to support the low-skilled in preparing for the labor force participation in the future. Creativity and other elements that stem from arts related programs are also beginning to be a focus of new public-private sector collaborations (see below).

There are myriad other examples and a great deal that with can build on in terms of reducing despair and restoring hope as part of our efforts to revive declining communities. Yet we would achieve much more if we had a coordinating body and logistical support for information sharing and coordinate when appropriate across federal and local levels.

5. The role of private public partnerships and creativity-related models

There is a strong link between despair and the labor market. While the stock market has provided tremendous value to shareholders, this wealth has been unevenly distributed across the socioeconomic spectrum, and increasingly so over time. To address despair, we must focus on better jobs, and that

requires collaboration with the private sector. There are examples of companies investing in job training programs in their neighborhoods and experimenting with more equitable ownership structures, as well as government programs channeling credit and training to business owners in deprived areas. Yet these programs are often disconnected from federal public health programs.

On the other hand, several new public private partnerships (PPPs) suggest a promising path. These include concepts of well-being as a frame and interventions driven by well-being data and could go a long way toward building support for national well-being data and for addressing worker well-being.

Creativity metrics can contribute a great deal. They are often tied to new models of "value creation" and correlate with other well-being data. (For examples, see the Resources Section of the report.) These can help move well-being and Diversity/Equity/Inclusion from "outcomes" goals to antecedents for innovation in business and government. Creativity, by definition, does not accept stereotypes, and the associated meaning and purpose aspects of eudaimonic well-being link are relevant to the skill acquisition that is necessary for labor force participation in the rapidly changing economy. A growing body of scientific evidence links creativity to the skill groups that will be essential in the economies of the future, such as those identified by the World Economic Forum (WEF) 2025. **xxxvii**

There is also a new drive to include human capital in environmental, social, and governance (ESG) metrics, reflecting a broader national and international interest in well-being. The World Economic Forum recently published a Human Capital Accounting Framework which aims to quantify and build human capital within large organizations, focusing on corporate culture, stakeholder leadership, and employee well-being. The Culture of Health for Business (COH4B) program was recently developed by the Global Reporting Initiative with support from the Robert Wood Johnson Foundation. The Sustainability Accounting Standards Board recently made mental health, well-being, and health-related benefits a key focus in the proposed revamp of its human capital standards.

This drive includes public as well as private sector agencies. The Securities and Exchange Commission (SEC) is expanding reporting requirements to include measures including training hours, worker productivity, and turnover. The Human Capital Management Coalition, which represents major institutional investors, has been pivotal in petitioning the SEC to move in the direction of tracking human capital metrics. And the International Organization for Standardization has specified 23 core metrics—including worker productivity, health, well-being, and leadership trust—for tracking and reporting. These initiatives align with the growing public interest in well-being as an umbrella objective that encompasses mental and physical health *and* worker wellbeing as part of our benchmarks of economic progress.

6. Despair as a national security issue

The extent of despair in our society has become a national security issue, for many of the reasons discussed throughout this paper. Desperate individuals with no narrative for the future and without the wherewithal to pursue purposeful and productive activity are particularly vulnerable to conspiracy theories, fake news, and participation in extremist activities.

Individual and community grievances have provided fodder for external manipulation by hostile state and non-state actors. This became clear during the contentious 2016 U.S. presidential election, when Russian entities, including the St. Petersburg-based Internet Research Agency, acted as proxies for the Kremlin by creating fake American persona on social media to stoke discord. During the COVID-19 pandemic, conspiracy theories, fake news, and high levels of distrust toward both science and the government became major obstacles to collective action to stem the transmission of the disease. Just as public health

recommendations to wear masks were challenged, government attempts to encourage mass vaccination have been undermined—including by targeted propaganda aimed at vulnerable Americans from the Chinese and Russian governments. The U.S. failure to bring the pandemic under control in 2020 had a major negative impact on its international standing, as underscored in successive Pew polls in this period.

A complex contagion process underlies the spread of far-right radicalization within the U.S., with despair a key underlying factor. The confluence of online and physical organizing- including social media usage—enhances the spread of radicalization. Factors that underpin despair can make people more susceptible to extremist ideologies and create entire geographies that are prone to radicalization and violence. Indeed, poverty, unemployment, income inequality, and education levels are all relevant factors in radicalization, extremism, and mass shootings. Related to this, workshop participant Professor Kenneth Thompson—based on experience at the Substance Abuse and Mental Health Services Administration (SAMSHA)—highlights another factor: the vulnerability of disaffected youth who have experienced events that shamed them and/or their families.

Neuroscience also provides essential insights into the spread of radicalization, political extremism, and violence. The SMA/McCauley Two Pyramids Framework (created by the U.S. Department of Defense in partnership with Dr. Clark McCauley) identifies internal and external radicalization factors. Social identity and psychology, sacred values, neurocognitive deficits, emotions, and dehumanization are internal factors that can activate radicalization and violent action. **Ii* External factors include environment, culture, radical social networks, perceived grievances, traumatic life experiences, and social media. These, in turn, contribute to susceptibility to and prolonged occurrence of despair.

7. Conclusion

This paper has highlighted the importance of addressing the conjoined problems of societal despair and fragile labor markets. Our main recommendation is the need to coordinate the large number of well-intentioned but siloed efforts. If the proposal is taken up, how it is implemented and what institutional form it takes is a question for policymakers to debate. What is critical is buy-in from the highest leadership levels. Our recommendations do not envision the creation of yet another siloed activity but rather one that is actively connected with and complementary to other interagency task forces created by the president to address society-wide problems such as racial and gender equity.

The top level leadership and the participation of several agency leaders, along the lines of what has been done to make the effort sustainable over time, as in the case of the National Climate Task Force, provide a relevant example. A potential launching model is a call for an executive order, drafted by the Domestic Policy Council, to address the issue through interagency collaboration.

Equally important to note is that the purpose of the proposed task force is not to spend large amounts of funds or to introduce new regulations, but to provide better information and facilitation where and when possible. This includes measures such as addressing information market failures to improve the functioning of labor and education markets so that dislocated workers can more readily find their way to new credentials and skills, meaningful work, and hope on the one hand, and providing related information and logistical assistance for the many local efforts aiming to address community-wide despair and addiction on the other. The latter have impressive talent and initiative but tend to operate in isolation, which does not lead to generalizable or scalable operations.

Finally, recognizing the gravity of the problem at a public level is an important first step. As we have noted throughout the paper, it is affecting the health and longevity of our society, our economic productivity, the cohesion of our families and communities, the increasingly toxic nature of our politics, and even our national security. This is a critical moment in our national trajectory.

ENDNOTES

- ¹ A new and promising effort along these lines is the collaborative group of Federal Government actors and NGO's in developing Recommendations Toward Equitable Long Term Recovery and Resilience for Social, Behavioral, and Community Health Executive Summary (thriving.us), something that the proposed task force could build from.
- "Individuals who are no longer looking for work after 6 months drop out of the unemployment rate calculation.
- Deaths in this mortality category over the past decade were significant enough to drive the overall U.S. mortality upward, giving us the pre-COVID distinction of being the only wealthy country in the world where mortality was going up rather than down. For trends across populations and their links with subjective well-being indicators, see Graham, C. and Pinto, S. (2019). "Unequal Hopes and Lives in the USA: Optimism, Race, Place, and Premature Mortality, *Journal of Population Economics*, Vol. 32:665–733 https://doi.org/10.1007/s00148-018-0687-y.
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- xiv Indeed, it is notable how little coordination there is even among these, with the large number of disconnected efforts to address rural development a notable example. Reimagining rural policy: Organizing federal assistance to maximize rural prosperity (brookings.edu)
- xv We have built and are updating a nationwide interactive vulnerability monitor, that matches trends in deaths of despair (and now COVID deaths) with trends in hope and in worry across races and places at the level of U.S. counties [https://www.brookings.edu/interactives/well-being-interactive/]. While this is a potentially useful tool, it is not a replacement for a publicly available tool backed by a larger research team.
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Appendix A: Brookings Working Group on Despair and Economic Recovery - Members

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Well-being Trust

Lord Gus O'Donnell

Chair, Frontier Economics

Former Head of Cabinet for Prime Ministers Blair, Brown, and Cameron; Permanent Secretary of the UK Treasury and Press Secretary; Head of Civil Service

Sarmed Rashid

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Former member, White House Office of National Drug Control Policy

Andrew Reamer

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George Washington University/

Former chair and member

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Julie Rusk

Founding Director

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Kenneth Thompson, MD

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Acting Director

Addiction and Public Policy Initiative

Georgetown Law

Appendix B: Resources

America's crisis of despair: A federal task force for economic recovery and societal well-being (brookings.edu)

https://well-beingtrust.org/wp-content/uploads/2021/05/2021-PainInTheNation-FINAL-May-12.pdf

https://thehill.com/opinion/international/553136-infrastructure-plan-is-a-chance-to-use-well-being-to-guide-public-policy

https://whatworkswell-being.org/blog/the-green-book-review-what-do-the-changes-to-government-appraisal-mean/ (in the UK Treasury green book)

https://whatworkswell-being.org/resources/well-being-evidence-at-the-heart-of-policy/ (UK 2020 National Commission)

https://santamonicawell-being.org/about/well-being-index (the Santa Monica municipal model)

https://www.help.senate.gov/imo/media/doc/Keller1.pdf

<u>https://successmeasures.org/</u> - (an arm of Neighborworks America that facilitates community evaluations, including on health care and well-being)

https://www.brookings.edu/research/how-the-american-rescue-plan-act-will-help-cities-replace-police-with-trained-crisis-teams-for-mental-health-emergencies/

https://www.weforum.org/agenda/2021/05/evidence-driven-businesses-support-workplace-mental-health/

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https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/firms-employers-increase-digital-mental-health-investments-in-wake-of-covid-19-62962680

https://www.nationalalliancehealth.org/home

https://carnegieendowment.org/2020/09/23/making-u.s.-foreign-policy-work-better-for-middle-class-pub-82728

https://www.hjf.org/tvmi (Veterans Well-being Metrics Initiative)

https://www.nytimes.com/2021/04/06/us/politics/capitol-riot-study.html (despair and security)

https://www.nytimes.com/2021/01/13/opinion/capitol-riot-white-grievance.html (despair and security)

Workforce of the Future Links:

<u>Blueprints to generate economic growth and dynamism (brookings.edu)</u> (William Gale, Mark Muro, and Grace Enda).

Moving up: Promoting workers' upward mobility using network analysis (brookings.edu) (Marcela Escobari, Ian Seyal, and Carlos Contreras).

 $\underline{\text{https://www.whitehouse.gov/briefing-room/presidential-actions/2021/05/06/domestic-policy-presidential-actions/2021/05/06/domestic-policy-presidential-directive-1-dppd-1/}$

President's supply chain assessment E.O., with a workforce component https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/24/executive-order-on-americas-supply-chains/

GWU industrial policy webinar series for the Industry Studies Association/Andrew Reamer https://www.industrystudies.org/isa-webinar-series-past-webinars

Nondegree Credentials Research Network https://gwipp.gwu.edu/non-degree-credentials-research-network-ncrn

DOL Workforce Information Advisory Council https://www.dol.gov/agencies/eta/wioa/wiac

Jobs and Employment Data Exchange, U.S. Chamber Foundation https://www.uschamberfoundation.org/JEDx

Postsecondary Employment Outcomes, Census https://lehd.ces.census.gov/data/pseo experimental.html

Credential Engine: https://credentialengine.org/

Federal agencies collecting data on well-being through surveys:

- o Census, Household Pulse Survey (published as CDC Mental Health Pulse)
- o BLS, ATUS Well-being Module
- o NCHS, COVID survey
- o AHRQ, MEPS-HC Social and Health Characteristics
- o NCHS, National Health Interview Survey
- o HHS, Social Determinants of Health Clinical Notes
- o Federal Reserve, SHED
- o CFPB, survey of savings behaviors
- o Census, CPS Civic Engagement Supplement
- Census Pulse
- o HRSA, Behavioral Health Workforce Survey
- o BRFSS the Behavioral Risk Factor Surveillance System (BRFSS)
- Panel Study on Income Dynamics

Appendix C: Current efforts and initiatives

Our proposal supports and is informed by current federal initiatives catalyzed by law and/or Biden-Harris Administration efforts, including:

- o <u>OMB evidence and evaluation</u> mandates to agencies, including for each agency to create a learning agenda
- o Federal Data Strategy
- o Advisory Committee on Data for Evidence Building

- o Prototype BEA measures of economic well-being
- Administration <u>Priorities</u>
- o Domestic Policy Presidential Directive 1 (DPPD-1)
 - the Assistant to the President for Domestic Policy (APDP) shall coordinate an interagency process that provides domestic policy advice to the President and ensures that the President's stated domestic policy goals are effectively implemented. This process will:
 - (a) identify priority issues, problems, and opportunities that require Presidential policy guidance or decision;
 - (b) analyze the identified issues, problems, and opportunities systematically, drawing on both governmental and non-governmental sources of information through a rigorous process in which all relevant viewpoints are taken into account;
 - (c) bring agencies together to identify and evaluate policy and programmatic options;
 - (d) recommend new or modified policy initiatives for consideration;
 - (e) clearly articulate Presidential policy, including budgetary implications and implementation plans; and
 - (f) review on a regular basis the implementation, delivery, and efficacy of domestic policies and programs, including the possible need for any modifications or adjustments to achieve policy objectives.
- Private-Public Partnerships and Creativity Models [See task force report for detail]