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THE STATE OF THE NATION PROJECT: A COMPREHENSIVE DISCUSSION ON AMERICA'S  
SUCCESSIONS AND FAILURES

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**ROUSE:** So, I'm Cecilia Rouse. I'm the president of the Brookings Institution. We're a nonpartisan think tank dedicated to finding bold, pragmatic solutions to society's pressing challenges. Thank you for joining us today, and a special thank you to our co-host, the American Enterprise Institute and the Murphy Institute. I'd also like to recognize Brookings scholars Carol Graham, who contributed to the State of the Nation report, and of course Doug Harris, who spearheaded the entire effort. So, this was an effort that many doubted would come to fruition given our country's deep divisions.

And yet, here we are. The State of the Nation report released today is a result of scholars from across the political spectrum coming together, debating, challenging each other, and remarkably finding common ground. They agreed on 15 topics and 37 measures. They captured critical aspects of our nation's well-being. And this wasn't just half-hearted agreement. Each topic and measure had to secure supermajority support. The State of the Nation report underscores the value of gathering and giving voice to diverse perspectives, which is at the heart of our work here at Brookings. With that, I'll turn things over to Robert Doar, president of the American Enterprise Institute, a great leader and friend and neighbor.

**DOAR:** Thank you, Cecilia, very much. So, I'm Robert Doar, the president of AEI, and I want to thank everybody for being here, and thank Cecilia especially for inviting me, and thank Doug and the team that put this report together for organizing and doing the hard work. This is the kind of thing that we like our AEI scholars to participate in. I've done them in the past, and they've proven to be successful in achieving a consensus around our biggest challenges as a country. And those consensus lead to policy changes that lead to advancement for the United States, and that's a good thing. And AEI wants to associate ourselves with these kind of endeavors, and we're very proud to partner with the Murphy Institute and with Brookings.

I would just say a couple remarks about this report, which you're going to hear from the panel. One of the things I like about it is that it stresses what's great about our country and what's going well. Our productivity is rising. Our economy is strong. We are a good and great country, and our economy is the envy of the world, and this report makes that clear. It also, I think, highlights the extent to which we've reduced poverty in the United States quite significantly over the years, and that is another great achievement, one that I think was the result of a lot of efforts by people to come together with solutions that solve these problems in a way we can all agree to. One little sidebar that I'd note is I

was pleased to see that the percentage of children being raised in single-parent families was recognized as something we should be concerned about, that it was something that reflected a belief that children do better in households where there are two loving parents there for the long haul.

That is something that when I got into this business a long time ago as commissioner of social services in New York State and New York City was a big issue, and it wasn't clear that there was a consensus that this was an issue we should pay attention to and focus on. Now, on the side of the report that reflects some problems, I note that a lot of them have to do with spiritual problems, sort of a sense of confidence in our institutions and in ourselves and in our country and in each other. And I think here the thing that I would just point out is that it might be we should ask ourselves why. Why have we lost confidence?

And could it be that those of us who come at these problems blinded by our ideology or our priors fail to see facts that are right in front of us that might alter our view? And I think we need to have that humility to know that sometimes our prior conceptions, our prior perceptions, our ideology can prevent us from tackling tough problems based on a close examination of the facts. That's what this report does. That's why I'm pleased to be a part of it. Thank you, Cecilia. Thank you, Doug. And thanks to all for being here.

**HARRIS:** Good morning. I'm Doug Harris from Tulane University. Thank you, Ceci and Robert, and thanks to Brookings and AEI for sponsoring the event, and especially thanks to Tulane's Murphy Institute for funding the entire project, including this event. So, here's the question for today. What is the state of the nation? That is, how are we doing as a country? That's a big question. It's related to the age-old question. What is a good society? These are big questions, but this is what the state of the nation project decided to take on. We were motivated to do this work by three related trends. First, polarization. More and more people are saying they actively avoid talking about politics with family members or if they despise the opposing political party.

We seem deeply divided. Of course, there's nothing wrong with passionate disagreement, but it's a problem when we can't even remember what we actually agree on. Second, misinformation. We see a steady stream of false claims in social media, mass media from some elected officials. It's also increasingly fashionable to talk about alternative facts. Of course, some issues are complicated.

Information can be interpreted in different ways, but it's another thing entirely when people present as fact things that are demonstrably false. Pessimism. We increasingly see the country as being not only on the wrong track, but likely to keep sliding backwards. It's good to set high standards, but we can't hope to reach them if we expect to do worse.

So, we wanted to do something about these troubling trends to see whether we could find areas of agreement to make the public conversation better informed, possibly more optimistic if there was a reason for that. We decided that one useful step toward that would be to create a progress report for the country. That's what the State of the Nation project is all about. So, what might such a progress report look like? Well, at school, we received report cards with grades in math, science, reading, and social studies, along with citizenship and behavior scores. In pre-kindergarten, this looks a little bit different. I'm proud to report that my four-year-old grandson's pre-K report card, he got a perfect score on scissors and glue. But the point here is that we have some idea what a progress report looks like in school, but what are the equivalents of these academic subjects for the whole country? Could we even agree on how to grade the country?

That's really what the challenge was. Since we were motivated partly by polarization, we aimed to create a progress report that would have broad buy-in. So, we created a board of directors with broad expertise and a range of political orientations. And here is the board. So, we have Democrats and Republicans, liberals, and conservatives, and some who I think would put themselves in none of those categories. We have political appointees and advisors to the past five presidential administrations, Clinton, George W. Bush, Obama, Trump, and Biden. This group also has affiliations with seven of the most well-known think tanks in the country, including AEI and Brookings, as well as the America First Policy Institute, the Economic Policy Institute, the Free Enterprise Institute, the Heritage Foundation, and the Hoover Institution. It's also an accomplished group of people. If you look them up, many are best-selling authors.

So, some thought this wouldn't be possible. How could you get a wide-ranging group like that to agree on topics and measures for this progress report? Honestly, we weren't sure whether we would or not. This whole thing was an experiment. We really didn't know, I think even until four or five months ago, whether we'd be standing here with anything to report. So, it took us almost two years, meeting every

month. All of the topics in the progress report, as CeCe said, had supermajority support, not just a simple majority, but generally at least 75% of the board agreed.

But we didn't stop there. We didn't want this just to be another expert-driven report. There are 350 million Americans, so we asked them. We asked a representative sample of 1,000 Americans. In addition, they voted the same way we voted as board members to decide what should be included. For the most part, the public agreed with what we decided as a board, not entirely, and the report shows some of those differences. But what this means is that in every sense of the term, this is America's progress report. So, what did we find? I'm going to summarize the results now according to four main conclusions. First, I want to show you the website and encourage you to go visit the various findings here. So, this is the home page. And if you scroll down the home page, you'll see the whole thing boiled down into a single page. Or you can keep going and you can read the 140-page version and the 75-page data notes.

So, you can pick how much detail you want to go into here. Let me start with the first conclusion. The economy is strong, on average, and poised for future success. So, let me start off by just describing what we're reporting here. These are the economy numbers, economic output, and productivity. You see the next symbols there. The green arrows indicate that we're improving over time on these measures. Next to that is the percentage of countries the US outperforms. So, you can see we outperform 98 percent of countries on GDP and 88 percent of countries on productivity. So, we're doing well on those. If you look at the full report, we also report our international rank trends. So are we improving relative to other countries or not, but I'm not going to show that here. And then you can see next to some of the measures and topics, you see a little P in blue.

Those are the ones where the public also wanted to have the measures, thought that those measures were important. So that's how this whole thing is going to be structured. This is just the first example. So, the economy is strong, on average, poised for success. Why do we say it's poised for success? Well, one reason is that in some other measures that are related to the economy, we're also doing pretty well. Education, I'm going to say a lot more about education later. This was my area of expertise on the project, and I'm going to be talking about that on the panel, so I'm not going to examples of what we're facing right now from COVID and such. We're actually doing pretty well when we look over the broader scheme of things. I should also say when we look at these national trends,

we're looking back to 1990. So, it's 1990 to 2023. So, 33 years. So, we're not just looking at year -to -year trends here. We want to get a bigger sense of our trajectory, not just what happened this year compared to last year. Also, workforce is very important to economic success, so we're doing well on long -term unemployment and hourly earnings growth. We're also two strong suits. I'm going to report some other work and labor force measures later that are not going quite so well. Overall, we're very well situated to continue our economic success.

Conclusion two, we are a nation of extremes. So, you just saw the best news, I would say, at least most of the world. But you see a lot of red here. So, you can see the color code of this green. Green is more positive results. The red is less positive. So, I'm just going to read these off. Mental health, under that topic we have depression and anxiety, fatal overdoses, suicide rate. We're amongst the very lowest performing amongst comparable countries, high-income countries on those measures. And declining. So, it's not just that we're not doing well, it's that we're also performing very poorly. The environment and greenhouse gas emissions, we are second to last in the world on that. Citizenship and democracy, we have voter participation, belief in democracy, polarization, which was part of the motivation for the project to begin with, not doing well at all. We're the most polarized of all the comparison countries. Children and families, youth depression, children living with a disability, all higher -income countries. Inequality, even though, as Robert said, we're improving on poverty, we still have a very high poverty rate compared to other high -income countries. So, we contrast these more negative outcomes with the positive ones you saw on the first slide. That's conclusion two.

Conclusion three, we're improving in many areas but more slowly than other countries. So here I can't show you this graphically because there are too many parts to this, so I'm just going to summarize it. We're generally improving on five topics, declining on four if you just look at the national trends. But relative to other countries, we're falling behind on five topics and improving on only two. The only two where we're improving relative to other countries is the economy and education. Everything else, it's either a mixed bag or we're declining. The ones where we're clearly falling behind are the environment, inequality, mental health, one inequality measure in particular, mental health, physical health, and violence. So, when we focus on specific measures, so far, I've looked at it by topic, but if you look at the measures within those topics, we're declining relative to other countries on 18 measures and improving on only seven.

Final conclusion, so we have that rising income. This is the same graphic I showed you back in the first conclusion that we're doing well on economic measures. Normally and throughout much of our history, at least when we've been able to measure this, we've been able to translate that into higher perceived well-being, happiness, and so on. That doesn't seem to be true anymore. So, income is not translating into improved perceived well-being or social relations. So mental health, I already talked about that. We have the satisfaction with life, declining increase in social isolation, which means we're getting worse on that measure. So, you've got income going up on the one hand, but yet all the things you would hope that would generate going in the other direction. This is a pretty new phenomenon. Some additional findings.

I want to give you the full picture of what's in the reports. I'm going to go through these quickly. Children and families, we have child mortality, low birth weight, where we're in middle of the pack in terms of comparison countries. Civil liberties, also middle of the pack. The environment, I already showed you the greenhouse gas emissions. Air quality, doing a little bit better on-air quality. Social capital, we have volunteerism and trust in other people. Again, a little above average on that. Work in labor force. I showed you two of the more positive results on labor force earlier. These are two where there's a little bit more of a warning sign. The employment population ratio and the labor force participation rate are in the bottom quarter among comparison countries. Physical health. Life expectancy is the only measure we included in this. This was the one that had the top physical health. And we do, again, above average, above the middle of the pack there, and we're proving national trends, but again, declining relative to other countries. Other countries are improving their life expectancy faster than we are. And finally, trust in institutions. I already mentioned trust in other people, but this is trust in the organizations that we actually need to make decisions. Trust in local government, federal government, police, criminal justice, colleges and universities, science. You can see the broad picture here is we're not doing very well relative to other countries. Most of those measures also declined.

All right. So, some of these results will likely surprise you. I think almost every board member at some point said, I didn't know that, even though they're experts in many topics, none of us are experts in all of these topics. So, I think you'll do the same. There are other findings here that will surprise you, excuse me, that will not surprise you, but I think you'll think about them differently when you see all these measures together. You think about it like a puzzle and you have all the pieces spread out on

the table. It doesn't really look like much when the pieces are all spread out, but when you put the pieces together, that's when things start to come into focus. There are a lot of things here that individually you've seen that before. But when you see these things in connection to each other, it gives you, I think, a different impression. It certainly did for me. We're able to boil this whole thing down into a single page. So, if you go to the website, you can see that.

And let's see. So, I wanted to make a couple other observations before we move on. So, one is that we're not claiming here that we're measuring everything that is important about the state of the nation. We know there are some things that are difficult to measure. National security turns out to be very difficult to measure. Civil liberties was another one where we only had one measure that we thought was really credible. So that's unfortunate. We're not claiming we can measure everything. Freedom, opportunity, justice, all of these general concepts are hard to measure. Very important. So, we want to acknowledge that at the same time. If 75% of people, 75% of this board agrees that these measures and topics are important, it's something really that we should be wise to pay attention to. So, what are we hoping to accomplish here? What's the point of this report? First, we hope to shift the tenor of the national conversation. I already spoke about polarization, misinformation, pessimism. Our public discourse tends to bring more heat than light. And again, nothing wrong with heat. With passion, that's a good thing. But we need heat and light in the conversation. So, we hope to focus national conversation on what matters. So, we're bombarded with news every day about usually negative headlines about what's happening in the world. And there's so much there that can be difficult to get people to understand.

So, I hope the report, again, we can boil it down to one page. We hope the report helps to focus that conversation. Third, we hope to provoke discussion and action on critical issues. It wouldn't be much of a progress report if we didn't actually make progress. That's the goal is to help move in that direction. So, we don't provide recommendations on steps forward. That's not the focus here. The focus here is it's a progress report. You get a report card for your kids. It helps you get an understanding of how they're doing, and then you decide what to do. And we hope that you'll all decide to act on this when we're finished. Finally, we want to reach a broad audience. So, this is the start of that conversation. Please look at the website. We have a conversation that will be going on Twitter at X here at [stateofnation25](https://twitter.com/stateofnation25).



By the way, the website is [stateofnation.org](http://stateofnation.org). The word the is not in there. Somebody had copyrighted the apparently. So, it's just [stateofnation.org](http://stateofnation.org). And so, I want to conclude here with two quotes from former presidents that might inspire the kind of action that we're hoping for. First, so with all the creative energy at our command, let us begin an era of national renewal. Let us renew our determination, our courage, and our strength, and let us renew our faith and our hope. So that's Ronald Reagan and his 1981 inaugural address. Second, the future we want, opportunity and security for our families, a rising standard of living, and a sustainable, peaceful planet for our kids. All that is within our reach. But it will only happen if we work together. It will only happen if we can have rational, constructive debates.

That's President Barack Obama and the State of the Union in 2016. So, I want to give a couple of thanks here for their efforts. So first I want to thank the research analysts on this project, Anjana Nair and Amelia Norgren who are in the back who did amazing work. We had to look through hundreds of measures and data sources and so on to figure out what to even have the possibility of putting in this report. And thanks again to AEI Brookings for sponsoring the event, but especially to Tulane's Murphy Institute for funding the entire project. Thank you. So, I think the panelists can start coming up. I'm going to make just a couple of announcements as we do that. So, Bill Galston is going to moderate the panel. And as they make their way up, I want to make two announcements.

The first is that one of the panelists, Gary Hoover, is on the State of the Nation Project board and is also the director of the Murphy Institute, which is our main funder, but he's only speaking for himself, not the funder. Also, we couldn't include the entire board on the panel. You can see how large the stage is. We're a bigger group. So, we couldn't include everybody. I want to recognize Joe Rahm in the audience who's here from the University of Pennsylvania, and he brings great expertise on discussions about the environment. So that may come up in the conversation as well. So, let's have a panel. The podium and make way for the chair.

**GALSTON:** Well, Doug, thanks for getting us off to such a brisk start. I didn't think you were going to be able to do it in 15 minutes, but you did. Congratulations. I am Bill Galston, a senior fellow in governance studies here at Brookings, and I was asked to moderate this panel. And that request, to which I assented, put me on the path of discovery as I plunged into this report and learned all sorts of things, not only about the organization, but also about the country that I didn't know before. So, thank

you very much. Let me tell you how the rest of this, you know, really great show is going to unfold. I am going to introduce the panelists individually. Each one will kick off for about five minutes talking about an area of his or her particular expertise, plus whatever else they want to talk about.

We will then go to about 15 or 20 minutes of crosstalk, after which there will be at least 15 minutes available for audience Q &A. So, let us begin at the beginning with Ariel Kalil, who is the Daniel Levin Professor at the University of Chicago Harris School of Public Policy. You know, I went to the University of Chicago for my Ph.D. work. I loved the place, and I'm always happy to welcome people who work there to Brookings. Ariel directs the Center for Human Potential and Public Policy and co - directs the behavioral insights and parenting lab. She's a developmental psychologist who studies economic conditions, parenting, and child development. Ariel, the floor is yours.

**KALIL:** Terrific. Thank you so much, and let me just thank Doug for including me in this really interesting exercise. So, I'm a developmental psychologist, and my role on the report was to think about children. But I also think when we think about children, we need to think about families. And so, one of the first impressions that I want to leave you with is that we weren't able to aggregate a lot of these metrics up. I mean, we have some macroeconomic conditions, and then we have some individual -level conditions. But one of the things I think about when I read this report, especially when I think about children, is that they're nested in families and communities.

And when we think about children's flourishing, we want to think about the interrelatedness of a number of these conditions and how they shape child development, which, of course, is the future of our nation. So, as we heard at the beginning, we have some good signs and we have some worrisome signs. I think we saw we have a decrease in children's mortality, and we have an increase in life expectancy. I think those are, you know, good quantitative measures that probably reflect advances in medicine. So, from a quantitative perspective, that's good, and that should be comforting. But then I think when we think about children, especially as they move along the life course, we have some really worrisome trends in what I might call the qualitative dimensions of family life. We have worsening of youth depression.

We have worsening on these measures of mental health, among whom many of these are parents, obviously. We have decreased life satisfaction, and we have increases in social isolation. I think these

are all profoundly worrisome, as I say, for the quality of child development. And that leads me, as someone at a policy school, to think about how do we support parents to invest in their kids, and how are we going to be able to, what are the kind of policies that will mitigate parental mental health problems or increase parents' connection and trust in others? Raising children is not an individual exercise. And I think social isolation and decreased trust in other people is a really bad sign for the next generation. On a more prosaic note, I will just say that this board participating over the last really interesting two years has made me realize the urgent need for better data.

So, a lot of what we came to in this report, all of which I believe are excellent, highly valuable metrics, were limited by our data sources. Even when we think about these measures of life satisfaction or mental health, we can dig deep and think about how were those data collected. So, where you report on a survey, did someone call you on the phone, which nobody does anymore in survey research, whether you complete an Internet survey? These are going to yield very different measures of something like life satisfaction or social isolation.

What time of the day? Did we measure your subjective well-being once, as in the American Time Use survey? Every couple years, we get to understand how you feel when you're doing the thing you're doing. We have advances in technology that can help with collecting better data. And that's what participating in this report really inspired me to think about that, because if we don't have the full picture, if we don't have accurate data, of course, there's not much we can do. So, I have other remarks that I think I'll hold, just to make sure my fellow panelists share their ideas, but those are my two leading observations.

**GALSTON:** Well, thanks for getting us off to such a great start, Ariel. We'll now turn to Gary Hoover, known to one and all I'm informed as Hoove, and I will refer to him in that way for the rest of this panel. He is a professor of economics and the executive director of the Murphy Institute at Tulane. He's an expert in public policy and income redistribution, the current and founding editor of the Journal of Economics, Race, and Policy. He's also served as president of the Southern Economic Association and co-chair of the Committee on the Status of Minority Groups in the economics profession. He is, first and foremost, I am told an expert on inequality. There's a section on inequality in this report, and Hoover will walk us through that and whatever else he cares to touch on.

**HOOVER:** Thanks, everybody. Once again, let me state that any comments that I make here are reflective of myself and not of the Murphy Institute, although we are glad to have sponsors at the event. So, if you look at the report, you saw that inequality has been rising, and we're anticipating in the future that inequality will rise. If you were in my class, you'd have to write an extra paper for that.

So, what about inequality that I find troubling is that if you think about this thing in the context of a social contract, where the social contract says, look, anyone, anywhere can rise up the economic and social ladder. And so, having a great deal of inequality, especially as we've seen it here in the United States, isn't that big a deal because of the fact that we still believe in this idea of mobility, right? So, you have these really broad ranges of inequality, but no one's stationary. People can move up and down the ladder at will, and so starting position isn't that important.

Our data and the research that I would put forward would say that that's just a myth, that the idea of mobility as it relates to inequality should make this more troubling. We should actually be more concerned about the trends that we're seeing in inequality, especially if there is no associated mobility that goes along with it. And so, if we keep pushing the narrative about inequality in this land of plenty and that we have terms in the lexicon that says only in America or in America's success story, yet there isn't that associated movement up and down the ladder, what you end up having is these permanent levels of stratification, and people are stratified on the income distribution.

They're calcified, and there's only this mass movement towards the top. So, for me, as I look at the trend and I look at the report, we did not include mobility because that's a little bit tougher to measure. I am probably more pessimistic about going forward, and we can discuss that more at some point in the future. That's all I got.

**GALSTON:** Thank you. Third, we'll now turn to Doug Harris from whom we've already heard. He's the Chair and Professor of Economics, the Schluder Foundation Chair in Public Education at Tulane. His work on K -12 and higher education has been widely cited. He's the Founding Director as well of both the Education Research Alliance for New Orleans and the National Center for Research on Education Access and Choice, known as REACH. As you may have gathered from the foregoing, one of Doug's central concerns is education. There's a section on education in the report, and Doug is going to touch on that and perhaps other topics as well.

**HARRIS:** Thanks, Bill. So, you already heard a lot from me, so I'm going to focus just on the education piece. I alluded to it briefly on that one slide at the beginning where I said the economy is poised for success, so I want to elaborate on a couple of points. One is that the economy is not the only reason why we would want a good education system, so even though I'm tying it in that particular case to the economy, education plays a lot of roles in society. So, we had three measures in there, test scores, eighth grade test scores for students on the National Assessment of Educational Progress, or NAPE, and then we did some international comparisons there. We had average years of education of the prime age working population, I think it's 25 to 54, and the percentage of young adults in school or working.

So just two observations about that. One of them is really about learning and achievement, so that's the test score measure. The other two are kind of a mixture of more looking at the years of education and the amount of time people spend in school. Both of those measures are important, I think. There's clear evidence that both of them separately have long -term benefits individually for students, so doing well on those tests is associated with doing well later in life, even after accounting for everything else, doing well on those measures really does improve long -term well -being for students. Also, in addition, even after you've accounted for the test scores, having more years of education also generates long -term benefits for students and for the country as a whole. So, if you look at both of those measures, you look at which economies do really well. It's economies that do well on both of those education measures.

So, it's important both for individuals, it's also important for the country together. And I think it might surprise you that we were actually doing pretty well on that. But all the news you hear these days about the latest test scores and so on, you'd think we were falling apart here. I think the more realistic assessment is that we've always been doing okay, above average, above most countries, not stellar. We've never been incredibly high on those measures, except for years of education, so we do tend to be higher on that one. Our test scores are usually middle of the pack, little above middle of the pack. And that's still true. That has not changed at all. In fact, we're improving relative to other countries. That part I couldn't show on the slides. So why is that? Well, one reason is that other countries are struggling with the same things we're struggling with.

I don't think we know exactly why this is happening, but I think the trends in social media and gaming and the distractions that young people face is probably part of that. And that's not just an American problem, that's a global problem. COVID is obviously more recently something you've heard a lot about over the last few years. Now, again, our report's going back to 1990, so COVID doesn't figure in that much to these long-term trends. Certainly, we took a big hit during COVID on all of those measures. Students, especially at the college level, that the college enrollment numbers started to go down. Test scores clearly went down. They went down faster in other countries, who actually did better than other countries during COVID.

So yes, we declined, and that's not good. But we declined more slowly than others. So that's why we're doing better than it appears, at least when we make those international comparisons. But even years of education and percent in school or working, both of those measures are important. The percent in school and working is an interesting measure to think about for a minute. Now, these are people 18 to 25 or so. We want them to be connected to something productive. Either work or school. They don't have to be in school. They don't have to be in college. And there's a lot of reconsideration right now whether college is for everyone. It's probably not for everyone, but they should be doing something productive. And so, the question is, are they working or in school? And you look at those two things together, that's a good metric. But we're doing better on that, too. And again, I think that's a measure that doesn't get a lot of attention that might be surprising.

The last thing I want to connect this too is actually not in the education section. It's in the trust section. The measure that declined fastest or maybe tied for fastest in terms of the biggest drop is trust in higher education. And that's, I think, a big warning sign for us. The higher education system in the US has always been a pillar of the economy. It's a huge contributor to our economic growth. Our top universities are most of the top universities in the world. They're in the United States. This is why people want to come from all over the world to attend our universities. They've been very strong especially on research and development. This is where the top research is happening, and students want to be a part of that.

That trust has declined, and we can talk a lot about the reasons for that, but it has dropped precipitously. I think it's mostly not about things changing in the universities. A lot of criticism to hear about universities are valid. The issue of student debt and the political leanings of faculty, so that's

always been true. This goes back a long way. So that much has changed but I think the perception of it and the messages about it have certainly changed. I think higher education needs to... It's real. I think there's some things that higher education needs to change, but I think the perceptions of higher education really are problematic and worrisome I think for those long -term trends. We're doing pretty well now, but I think it's a warning flag for where we're headed.

**GALSTON:** Thanks, Doug, and I hope we can return to some of the issues you've raised during the cross talk. We turn next to Scott Winship, who is the Director of the Center on Opportunity and Social Mobility at the American Enterprise Institute. He researches social mobility and economic insecurity, inequality, and the causes and effects of poverty. Before joining AEI, he served as the Executive Director of the Joint Economic Committee under Chairman Mike Lee, where he created the Social Capital Project, a multi-year research project to investigate the evolving nature of social relationships. There is a section of the report on social capital, and there's also a section on trust, and Scott, you have a hunting license for the next five minutes.

**WINSHIP:** Sounds great. Thanks, Bill. It's great to be back in Brookings. I'm also an alum of the Brookings Institution. This was a fantastic project to be involved in. Doug and his team did a great job. I'm glad to be a part of it. I'll spend my time talking about social capital, as Bill suggested. Very quickly, what is social capital? I think everybody, you know, you ask 100 people, they'll give you 100 different definitions. I think people overcomplicate it. Social capital has two words in it. If you start with capital, capital is something that is productive for people, financial capital, human capital, physical capital. So social capital is productive for people, however they define their goals in life. And the other word there is social.

So, this is about our relationships, our relationships to people, but also our relationships to social institutions as well. So, in the Social Capital Project, that I ran a few years back, we documented 50 - year trends in social capital over a variety of indicators, not unlike this project, because I'm just for social capital, I'm just for trends in the United States. And the story there is one that's almost across - the -board declines in social capital. That ranges from the strength of families, marriage rates, fertility rates, the number of kids growing up with single parents, whether adult kids live near their own parents, you name it. You can look at things like religious participation and observance. That's down

over 50 years a lot. You can look at things like participating in civic organizations. That's down over time. Trust in institutions is certainly down for almost all institutions over time.

There are even measures like spending time after work with your colleagues socially. Those are down over time. Doing things with neighbors is down over time. So, this is a very general phenomenon that I think is a real crisis in the United States in a way that isn't getting enough attention. So, I'm hoping the report draws some attention to that. What did we include in the report? The board being a democracy, we voted on all these things. The two that made it into the report were having trust in other people, which is down over time, much like these other measures, down from about 35 to 40 percent of people saying you can generally trust other people in 1990 to about 25 percent today. So that's pretty typical of what you see with a lot of these indicators. The other one we picked was the volunteering rate, which is one of the rare ones that is not down over time. It's certainly not up over time, but we're about where we always have been.

So about 25 to 30 percent of adults 16 or older say that they volunteered in the past year. I suspect that would also be down, too, except that a lot of high school and college kids are strongly encouraged to volunteer these days, to get into college, for one, and to get credit for all of that. And as the boomers have retired, that's created a pool of older adults that have more time to devote to volunteering. So, if not for those, I think that would be down, too. Let's see. So those were the only two that we included in the social capital section. I think social capital, I'm happy to say, has kind of colonized the rest of the report. There is this section on trust that Bill mentioned. I encourage you to look at that, because that probably, I would say, along with mental health, the institutional trust measures are kind of the ones that look, I think, across the board worse versus other countries, versus over time, things like trust and confidence in police, criminal justice system, universities, science, and the federal government as well.

There's also an indicator of the share of kids who are growing up with a single parent that's in the children and family's section. That one looks relatively flat over time since 1990 or so. I'd sort of characterize it as things got worse for a while, and actually things have been getting better for the last 10 or 15 years or so. So, there's a little bit of hope there versus other countries. We still look very high, very low in terms of where you would want to be, but that's another important indicator, I would argue, of social capital, the value of your relationships. And then finally, we have an indicator on social isolation as well.



The percent of people have somebody they could go to in their time of need, and we look relatively bad on that as well. So, there's a way that you can sort of group indicators from throughout the report into social capital measures, and the general message is not good for social capital. I'll say very quickly, we considered a few other ones, religious observance, the percent who have emotional support, the percent who are able to give charitable contributions for a variety of reasons. Those didn't make the cut, but those are other indicators that we've got pretty good data for. And then finally, I think the last thing I'll say is I think it's really important. I mentioned mental health issues as being one of the big areas where things are pretty unambiguously bad in the US today. I think there's, we had a conversation a couple years ago about deaths of despair that is sort of ongoing. I think it's interesting that in that conversation, folks tend to jump to economic explanations for these things.

Deaths of despair from opioids, from suicide, from alcohol, poisoning, chronic liver disease are up, a lot of people have said, because the economy is doing terrible by working class people. I think the data is not consistent with that. We can maybe get into that. The report bears out that on economics, the US looks relatively strong at the same time that we look relatively weak on all these social indicators. At the same time, the social capital declines have been happening. A lot of the economic trends look much better when you measure things accurately. I actually think the report in some sense underplays the strengths of the American economy in terms of poverty, inequality, work. And so, I think the story is actually maybe even positive, more positive on the economic side than the report suggests. But we really need to pay attention to these social capital declines.

We don't like to because we don't know what to do about them. We think we know what to do if the economy is bad, but we have no idea what to do if we think these social trends are down. And so that's the real challenge, I think, moving forward.

**GALSTON:** Thanks, Scott. And we reach, as our fifth panelist, Kiron Skinner, who's the W. Glenn Campbell research fellow at the Hoover Institution at Stanford University, the Tao Professor of International Relations and Politics at the Pepperdine University School of Public Policy. She's an expert in national security and public leadership, the co -author of two books on Ronald Reagan, both of which sold very well. She has served, remarkably, as director of policy planning at the United States Department of State in the first Trump administration. I believe that's a position that was first occupied by George Kennan and has had a distinguished set of leaders ever since. She's affiliated

with the America First Policy Institute and the Heritage Foundation. And she is an advisor to the president of the Heritage Foundation. I mentioned that she's an expert in national security. Doug, I think, in his remarks, said in passing that the project encountered some special difficulties in trying to come up with national security measures. So, Kiron, please give us your thoughts on national security, the state of our national security, and how we go about assessing the state of our national security. Please.

**SKINNER:** Well, first let me thank Professor Doug Harris for doing this project. When you first contacted me a couple years ago, I said there's no way you can pull this off. Being chairman of the economics department running institutes, having a full research agenda. So, I hope I didn't demoralize you too much, but you stuck with it. And it really brings, I think, me to one of the most important points about how our nation post -World War II became the best economy in the world, the country that most people wanted to join, if possible. And how we built a university system that remains the rival of the rest of the world. Most of that happened post-45 and in the decade or two that followed. But by the 1970s, the ecosystem we helped create of the university, of the think tank world, of the private sector, many of the spinoffs, and the US government creating DARPA and other funding organizations, began to fray. Maybe due to Vietnam, but I think it's really multifactorial.

And what Doug's project has done is really re-center us on what made us great before. There would be no Silicon Valley, there would be no technologies for the stealth weapons that happened many decades ago without that particular ecosystem. And most of it was done with unclassified research and generous funding from the federal government. But now we're back to, I think, where we began with this study, and I hope what you have done is a model for the future. Doug assembled a diverse group of scholars and was able to bring very different think tanks together to put this report before the public.

At a time that was highly improbable for such a conversation, while we were working on this project last year, our universities were going up in flames around October 7th and the reaction to some very difficult social, racial, and anti-Semitic issues. But we persisted, so I really think you deserve a round of applause for the work that you've done. I really thank you. You're here. But it relates to national security in particular because the report seems a bit optimistic about national security, and some have said you should have done more measures, but I think it's so difficult to measure national security that

I'm pleased with the measures that we used. One, the issue of military service. And Doug and his researchers found that it's relatively stable among those in high school who want to serve, which is, I think, a really good finding.

We're still declining in military service nonetheless, but I think that's something that we can correct. And the decline is probably due to the factors in other parts of the report, like trust, trusting government, our communities, and so on. But there's still a core of Americans who want to serve our nation, young people. And some of what we find with the military, when you have an all-volunteer force, you will have challenges over time. So, I think it's not as pessimistic in terms of the future of the human capital side of our military as some would like to present. We also talked about the issue of the North Atlantic Treaty Organization and its 30-plus members and trying to fulfill the Wells Pledge of 2% of GDP toward mutual defense. That was a major issue for Donald Trump in 2016, and most foreign policy experts said, what a waste of time to campaign on this obscure point in the middle of the country where I was a voter for 20-odd years at Carnegie Mellon in Pennsylvania.

And Trump continued on. And then we ran the numbers, because NATO, for most of the foreign policy community, steadily since 1949, was kind of an accepted good, the world's most fully functioning security alliance. But when we ran the numbers, and I think NATO had 29 members back then, four of them, maybe five, U.S., U.K., Poland, Estonia, and Greece, were meeting the Wells Pledge. And I've always said, if you're relying on Estonia and Greece for Western defense, you're kind of in trouble. But that really wasn't the whole story. By the end of the Trump presidency, the first term, that number had doubled of nations, hundreds of billions of dollars going into the coffers of mutual defense. Some of that was due, in fact, to the Obama administration.

There was a lag effect, but actually the pressure made a difference, and NATO didn't fall apart. But I think there's a deeper story around NATO. I think our report says, in 2014, 10 % of NATO countries, or 10 % of the countries met the pledge. We're at 30% now. We have a long way to go. And Donald Trump, in his second term, is talking about 5 % of GDP toward defense. That's going to be difficult for a lot of countries. But I think it's a deeper measure than we were able to present in this report. When you have our defense spending increasing, it's not just about being more militarized. It's about the commitment a nation has to R&D, the developing and combating exotic technologies. And so, I think it's a measure that we want to spend more time on.

And maybe there are other ways to capture contributions in international alliances than just the sheer number of dollars that go into defense spending. But it was really Donald Trump who trained our attention on that point. We then also talked about defense spending, US defense spending in the report, and saw that there's bipartisan support for it. That's been consistent for a long time. You go a few layers deep, and there are some complicating factors. But overall, on those measures, the nation is healthier than many of the pundits would tell you. But there were measures that we didn't consider that I think are worth noting. In a future study, Doug, when you take a six-month break and decide to get started again, we're in a big debate, especially here in Washington and the think tank world, about the nature and purpose of American power.

When do we go to war? How do we go to war? There are emerging communities of what not so much isolation is, though I think many want to call them that, but restrainers, those who don't want the US to use military power almost at all. And if so, in very concrete circumstances with a clear action plan, you actually can't fight a war that way because it's so unpredictable and it's so chaotic. That's the nature of war. The more traditionalists who are interventionists or want to apply American power around the world, that's where AEI and Heritage and Brookings and Cato and the Hoover Institution and others really should come together because this is a big conversation. At least for the next four years, it influences those in the White House, DOD, and State, and including the Quincy Institute and defense priorities and emerging think tanks and research centers.

So, I think this report really kind of calls us to figure out some bigger questions about American power. And there are a few others. I know we're on time, but I think that a discussion, a healthy discussion about multilateral institutions is in order. I don't know how you really capture where the American public is, but we now have an administration in power that isn't trying to exit the United Nations, but quickly reprised its role on the Paris Climate Accord and on other international agreements and institutions. Where the US fits in this discussion and how it shapes the kind of pooled sovereignty that is sometimes necessary for the common good is one that I think isn't resolved in our report. We would not be finished at this point, but I do think the report calls up issues like it. There are others, but we can leave that for what you call the crosstalk.

**GALSTON:** Well, Kiron, thank you very much for those thoughtful remarks which point us towards the future, the immediate future, as well as the farther future. We have about 15 minutes for a conversation with the panelists before we turn to you, and I have more questions than we can deal with, but let me try to put as many of them to you as I can. Question number one is what I'll call the people versus the experts, because the overall message of the report on the economy is that things are going great. But the American people, as we saw in the most recent election, had a very, very different view of the matter. I noticed that inflation, which was, I would say, exhibit A in the people's indictment of the current economy, did not make it into this report. Why not?

**WINSHIP:** Well, what's that? Doug's fault.

**HARRIS:** Well, I think a couple things. One is we're looking from 1990 to 2023, right? So, we're looking, we're trying to take a broad sweep and we pick that time span somewhat deliberately. We didn't want to go back further because then it just becomes a history lesson. At the same time, we don't want to just look at the last five years because things cycle and you go in and out of recessions and so on. So, I think part of the difference is simply that, that the economy does look good over that span of time. Inflation's a very recent problem, at least we haven't had much inflation until back before the 1990s. So, I think part of it's just the timeframe that we're looking at relative to what others are looking at. We did consider inflation very briefly as a measure.

I think the problem with inflation by itself as a measure is that you can really only look at it relative to how earnings and other economic measures are going. So, inflation by itself isn't all that informative. Inflation relative to earnings, relative to GDP, that's where it becomes more informative. And we did inflation adjust all of those measures, but didn't include inflation as a separate measure. One other observation is I think it's not just about inflation where we see this disconnect between perceptions and the usual measures, and that is that we look at all the public perception measures, not just in the economy, but all of life satisfaction, trust, all of those measures are getting worse. I think part of what's happening is that people see everything in the world is getting worse, so it's not just that they see the economic measures getting worse. I think part of why they're seeing that is tied up in why they're seeing everything else is getting worse.

**WINSHIP:** So, I think that may be part of the disconnect. But others may have other thoughts. I was going to make the same point that you made, Doug, that in some ways the cost of, you know, if the issue is the cost of living versus inflation defined in some narrow way, the wage growth statistics are adjusted for the increase in the cost of living, the GDP and productivity statistics are as well. It's hard to think about how you would objectively measure the cost of living other than just publishing a price index, which in some ways would be redundant versus the fact that all these wage and GDP trends are already adjusted with a price index. You could ask about perceptions, but I don't think perceptions are necessarily super reliable. So, I guess that would be a justification I'd offer.

**HARRIS:** One other thing, let's make it really quick. I think we're talking about averages, right? So, inflation didn't affect everybody the same way. I think none of the things that have happened over the last, you know, through COVID and before, nothing ever affects just, affects everybody the same way. The average is masking a lot of variation, like the inequality section, maybe who you're going to go in that direction, I think highlights that.

**HOOVER:** Right. Well, what I think is the disconnect is between the social contract. Once again, I'll come back to that. And here are the avenues that will lead to increased success, right? And we say, well, one of the things that are absolutely going to lead to increased success as you move up the economic ladder is, for instance, entrepreneurship. So, people say, OK, look, I've tried to be an entrepreneur, but then what we're finding is that to be an entrepreneur, you need to have access to credit markets. But access to credit markets are not equal. They're unequal. And so, people become frustrated between the narrative and the reality.

I could go on and on talking about this disconnect between those perceived paths forward and then the reality of those paths forward. You know, however, you know, I think Doug and I really disagree on this point about education. Absolutely, to where one of the narratives that are going to be preached is education is one of those pathways forward. However, when we find that there are disparate qualities of education, depending on zip code, and that some people do receive all of the education available to them, yet they find themselves wholly inadequately prepared, you know, compared to their other peers, that leads to frustration, that leads to a disconnect. And then if the narrative is that, look, if you aren't successful in this market-based economy as we have it, then it's your fault. It is not the fault of the system. Then that further leads to a disconnect.

**GALSTON:** Well, that actually brings me to the next topic that I wanted to put before the panel.

Hoove, you emphasized that the question of social mobility was really at the heart of the assessment of economic conditions, particularly for people trying to get out of poverty or low-income status. And depending on whether there is or is not social mobility, your evaluation of their prospects is fundamentally changed.

And I read the introduction to the report very carefully, and including the section on measures that didn't make it, and at the very end I read the following. Intergenerational mobility. This was discussed, but there was not enough interest to bring it to a vote. That strikes me as extraordinary for all sorts of reasons, including the fact that there are very good measures of intergenerational mobility. Unlike national security, there's excellent work done by economists, Raj Chetty is probably the best known, but terrific work has been done on intergenerational mobility here at the Brookings Institution, probably at AEI as well. And I was really startled that intergenerational mobility didn't make it into your measures. Why not?

**HARRIS:** I voted for it, so I got to vote. Anybody else want to jump in on that?

**HOOVER:** Well, it would be hard to measure. If we're just looking from 1990 to now, that's a generation.

**GALSTON:** Yeah, but why? But this raises a question of method. If you make a decision about your time frame that prevents you from understanding why social mobility now is so very different from what it was for the people who were young in World War, you know, getting out of World War II and also young in the 1960s, then maybe the arbitrary restriction to a 33-year period gets in the way of understanding what's going on.

**HARRIS:** It could be. I think, I mean, I remember one of the critiques was that it's more so than the other measures, more backward looking than the others, because you have to get social mobility, you have to go back and look at where your parents, the parents were, and then just to see where the kids end up 25, 30 years later. And so, it ends up being so, again, that's not my view, I voted for it, but I think the critique was it's so backward looking, even though it's an important topic, that it wasn't reflecting the current state of the nation. That's my rough interpretation of what others said.

**GALSTON:** Well, Hal Smith once said that the only cure for the ills of democracy is more democracy. I've never believed that, and my doubts have been reinforced by your answer, I would say. All right. Moving right along to another disconnect between the report and the people, I encountered the following also in the introduction to the report. We discussed a number of immigration -related contacts near the border. However, there was disagreement about the general importance of immigration, legal and otherwise, and even whether immigration should be viewed positively or negatively. There was also a sense that the state of the nation could be just fine no matter the number of immigration-related contacts. Put it mildly, that was not the view of the American people. I don't think that, I mean, there are a lot of disconnects between this report and public opinion, but this has got to be close to the top of the list. Seriously?

**HARRIS:** So, I think the problem is, for all the measures for it to make sense in the project, it had to be the case that if you see this number going up, it means clearly things are getting better, things are getting worse. And I think you can imagine scenarios in which immigration is rising slowly and legal immigration rising slowly and people would probably be more accepting of that. So, part of it is this question of legal versus illegal, which is hard to measure over time, but also even whether that slight increase in immigration would be positive or negative, people disagree about it. And again, we had to get supermajority, so that was the rule that we set at the beginning and there just wasn't enough agreement. And also, difficulty distinguishing, I think, the two elements, that legal from illegal is not that easy to do.

**GALSTON:** Every immigration think tank in town disagrees with you on that point. It is not that hard to do. And I think, frankly, I think this is an area where ideology got in the way of common sense.

**WINSHIP:** So, I think Doug is being very diplomatic as the leader of the group. A lot of the voting on some of these questions, we've papered over, I think, just how easy it was to come up with this set of indicators. But a question like this I would have a very different view on than I would say probably some of the more progressive members of the panel, of the board, aren't necessarily even sitting on the stage. I mean, the diversity of opinion was quite broad on a lot of this stuff. So, something like even the percent of kids being raised by a single parent involved, you know, multiple discussions, you



know, there weren't sort of explicit deals made. You know, well, you give me this, I'll give you that, at least as far as I know there weren't.

**HARRIS:** I didn't make any such deals. There were not.

**GALSTON:** Look, I'm approaching this as a political scientist. And when a methodology of social inquiry has the effect of ruling out questions that are top of mind for the American people, I think that poses something that, you know, for the future the project needs to think about.

**HARRIS:** Well, let me say two other things about that. One is this is just the beginning. So, this is just the first report. And I think part of what we're doing is I'm curious what the feedback is going to be. And we'll take these kinds of questions and other feedback. And then we'll do it again, I hope, in a couple of years. The other is, you know, we decided to do the public vote for that reason, right? And we wanted to be transparent about it. There's a whole section that just explains why the board disagreed with the public. We talk explicitly about immigration in that chapter. And inflation, to your earlier point, is things that there was a disconnect. So, we expected that there would be that kind of disconnect. And that's why we're trying to also create a version of the report where people can see exactly where we agreed and where we didn't agree.

**GALSTON:** Fair enough. Here's my last question before we turn to you. And you underscored this in your opening remarks. The contrast between what I'll call the objective indicators and the subjective indicators is stark across the board. When you look at numbers, things are going up. When you look at how people feel about a whole range of things, the mental health section of the report was shocking. But satisfaction in virtually everything was extremely low. What's going on?

**SKINNER:** I'll take a crack at it. When I look at the report, it takes me back to President Jimmy Carter's crisis of confidence speech in the late 1970s. And he talked about Americans a kind of general pessimism. It was related to the energy crisis and to a whole set of domestic economic indicators, high unemployment, high inflation. By the time he left office, the primary interest rate was like 21%. It could not have been worse. And he really fingered those kind of spiritual dimensions to what was happening to the American public and then international crises abroad, largely in the Middle East. They hadn't quite happened yet.

But I just kind of think back to that. We're kind of there now. Like there is a spiritual crisis that's going on. Some of it due to economic factors, maybe some due to energy. I live out in California now. A gallon of gas makes you kind of depressed every time you try to go five blocks. But I do think that that's hard to capture. But it's good to identify. And I think it's a service to the nation to bring back, as this report does, this disconnect that you've identified. And how profound it is. Do we have an answer to it? I don't know that was our responsibility in this report. But getting some clarity on it, I think, is the way toward better public policy.

**KALIL:** I agree. One of the things we didn't do, which as a data scientist, I might want to take as a next step, maybe not with these data, but simply what's the correlation among these markers? I mean, we are sort of guessing here that declines in mental health might be correlated with other things. We have some of those data. We can investigate that would be an interesting thing for others to do. And I think it just raises interesting questions about where do people's subjective well-being come from? It's not maybe these macroeconomic conditions that some people aren't even aware of. It's what's happening in their day to day life. But those feelings matter for important decisions they make also in their day to day life. And I think we need a new framework for understanding how do people feel and why.

**GALSTON:** All right. Your turn. Hands, please. I'm going to stand up so I can see everybody. And I'm going to start in the back of the room and move forward. The gentleman the one in back of you, yes. And there's a roving microphone. Excellent. And please introduce yourself.

**AUDIENCE MEMBER:** I'm Mike Olash, a member of the Amalgamated Transit Union. It seems like one of the issues about inequality is a reflection of the decline in the labor movement. If you think about the labor movement in the 1940s, representing 40 % of the working class, today representing 10%. And most people recognize a union job is better in terms of wages and benefits. It seems that we should address why is that going on and why aren't policies changed to make it easier for workers to join unions to gain that collectivity and solidarity and move forward. Thank you.

**HARRIS:** So just to make a quick observation, Heidi Scheerholz, who's the president of the Economic Policy Institute, which studies these issues, was also part of the board and she made some great comments about that. And we do mention that in the report as a possible explanation. The report

doesn't go into a lot of detail about what explains the patterns because just getting to describe what was going on was hard enough. But we do make some brief comments about it and we do mention the decline in unionization is one of the factors affecting inequality.

**GALSTON:** Additional questions. Yes, let's keep on moving up the aisle. There's a gentleman with a paper roll in his hand.

**AUDIENCE MEMBER:** My name is Bill Arnone with the National Academy of Social Insurance. Could you clarify on life expectancy? This chart indicates you thought the national trend was improving, but isn't it highly correlated to income? For higher income people, life expectancy improving, but for lower income it's actually going in the other direction.

**HARRIS:** There's an interesting thing on life expectancy, which is even before COVID, it started to plateau and drop slightly. And I think that was mostly because of the opioid epidemic. And then COVID naturally led to a sharp drop in life expectancy. I don't think we looked at life expectancy and for most of the measures were reporting averages, so we didn't look at that by different subgroups. But certainly, different groups are being affected differently on that and most of the other measures. And there was a big conversation about the extent to which we should look at inequality on a range of these topics. You could look at inequality on just about anything that we've got up there. So that occupied quite a bit of time, actually.

**GALSTON:** And then there was a gentleman in front of you, yes, here.

**AUDIENCE MEMBER:** Hello, my name is Meg Raj. I work for a European banking group placed in D.C. A small question. It's related to not qualitative data, but quantitative. I observed regarding the infant mortality. I just wanted to understand, when you say countries, are you talking of all the countries in the world when you're comparing it, or you're talking of only the rich countries here? Because if on the world spectrum we are placed at 57, sort of, it's very, very poor, we are stuck somewhere between Uzbekistan and Jordan, I would imagine.

**HARRIS:** So, we are comparing to middle and high -income countries. I think the GDP cut off is about \$4,500 GDP or above.

**HARRIS:** There's a woman who just raised her hand.

**AUDIENCE MEMBER:** Lizzie Matuzzi, Federal Reserve Bank of San Francisco.

**GALSTON:** Please speak up. We can't quite hear you.

**GALSTON:** Sorry. My name's Lizzie. I'm from the Fed. I was wondering if the level of income and wealth inequality affects the way you study pathways out of poverty or just social mobility generally.

**HOOVER:** I'm sorry. I couldn't hear it. Well, it's just me.

**AUDIENCE MEMBER:** I'm wondering if the level of income and wealth inequality, which has reached like Gilded Age levels lately, if that changes the way you study people's life chances if they are able to get education and improve their income.

**HOOVER:** Well, think about this. Whether we're looking at a level or a rate, if we believe the narrative that starting position is really rather irrelevant, that look, the reason that we have either high levels or high rates of inequality, some might even view that as being a good thing and we want to see more in what we are. So, there are risk takers and first movers who are getting out front and they're bringing new products and services to market. And as such, when those products and services are beneficial, that they should get the lion's share of the benefits. And that's where you're seeing this type of inequality.

While some would also say that the next obvious step is that those products and services will trickle down through the entire economy, therefore benefiting everyone and you hear these narratives about this rising tide lifting the boat. My question would be if a rising tide is lifting all the boats, what if some are not seaworthy and they're just sinking right to the bottom? And so that doesn't change whether you're talking about a level or a rate of inequality growth. And if the narrative is that people are by their own choice at these points on the income distribution, then the next obvious step is to say, well, people are exercising their free will and we shouldn't interfere with people lower on the rungs of the income distribution.

Those things don't change over rate or over a level. What does change, what matters more to me is the narrative that you're giving to people and especially those who have genuinely and honestly tried. I think that's where we get depressed. How in the world would I feel if after trying on several dimensions to rise up the income or inequality spectrum to still find myself lower after having done these things you told me to do? Of course, I'm going to be depressed because now you're putting it on me, you're saying, look, it's not an us problem, it's a you problem.

**HARRIS:** I think one other observation on this goes back to the measures. If you look at the two inequality measures are the Gini coefficient which captures inequality across the income distribution and poverty. And they're going in opposite direction. Poverty is getting better so you might think, well, why is inequality getting worse? It's because so much of the increase in income is being concentrated at the top, CEO pay and so on. And it goes back to Bill's question about why we get this disconnect. So, part of the disconnect if we're looking at averages is most people aren't seeing it, right? And so, life satisfaction, at least that would partly explain why life satisfaction isn't going up. It wouldn't explain why it's going down but at least explain why if we think income should lead to greater happiness why it doesn't translate. I think that's another part of the explanation.

**GALSTON:** Well, I have a question there but I'm going to suppress it because this gentleman here has a question.

**AUDIENCE MEMBER:** Ibrahim Mookman, consulting with Mookman and Associates. My question is that you guys, you get a chance to look at gun violence and many of us think that's an epidemic here with mass shootings. Is that happening in other countries and how do we compare?

**HARRIS:** So, on shootings, this is an interesting, we're very high on shootings. We're also very high on the murder rate compared to comparison countries. It's actually been getting from 1990 forward, it's actually a lot better than it used to be. So, the early 1990s was definitely kind of a peak time. The violence rate was very high at that point. We're at about half the rate now than we were in the early 1990s. So, it's gotten better and relative to other countries, again, our rates are very, very high. It's actually a little bit, some of this is a little bit difficult to compare the trends because the shootings data doesn't go back far enough in the international comparison so that becomes harder. But our murder

rate is still, it's improving more slowly than in other countries is the way to put it. So, we're getting better from 1990 forward on the murder rate but other countries are getting better faster.

**GALSTON:** Okay, I see someone over here and someone over here. So, let's go here first.

**AUDIENCE MEMBER:** Hi, I'm Blazen from Australia. I'm a student at Georgetown. I was wondering if you had a super majority on ranking the most problematic trends that you've been seeing just across the board.

**HARRIS:** We didn't vote that way. We didn't vote on which ones we saw as being most important.

**AUDIENCE MEMBER:** Good morning. I was wondering if you found or do you know of any data or did your data find any difference in social capital and especially social isolation depending on the community or the person you're talking to was urban, suburban or rural.

**WINSHIP:** So, we didn't in fact in our polling data we probably even lacked the sample sizes to be able to do that with any rigor I'm guessing. But we certainly didn't look into that as part of the project. The best way that social capital data has been cut has been broadly by social class. I would recommend Charles Murray's book, *Coming Apart*, which is very good on this stuff. I can't think of anything that's looked at urban, rural, suburban.

**GALSTON:** I'd like to take us out with a question seeing no more from the floor. And this goes to another public concern which is also a concern of this project, namely belief in democracy. Pretty big topic. It's on everybody's mind. And let me just read you from the report. What do the data show? Congratulations on seeing data as a plural by the way. An outburst of literacy.

**HARRIS:** There's a long debate with the copy editor on this.

**GALSTON:** I'm glad you won. Okay, what do the data show? Support for democracy has been on decline, while support for other forms of government has been on the rise. Those other forms of government, including a strong leader without Congress, expert decision makers, and army rule, all of those have been on the increase, pretty steep increase as a matter.

**HARRIS:** In the US

**GALSTON:** Right. And while the percentage supporting democracy has declined slowly, the percentage supporting other forms of government has risen faster. That's pretty fundamental. What does the panel think is going on? Losing faith in democracy is sort of like losing faith in our DNA, isn't it?

**WINSHIP:** So, I think I read something a few years ago, somebody can correct me if they know I'm wrong, by I think Anne Applebaum for the Atlantic, where I thought, and this is not my area of expertise, so I get more uncomfortable silence than the rest of the panel apparently, so my mouth just starts running. She had this theory that I thought was intriguing, which was that in some ways this is a reaction to meritocracy, that if you're on the losing end of meritocracy, which is to say, you know, the sort of people that do the best on standardized tests, that go to the best colleges, that know the right people, that end up in the best jobs, where pay has increased quite a bit, if you're a loser in that world, you start to lose faith in that system and you are more readily willing to consider just throwing in with the strong man. And I think this was her experience in somewhere in Eastern Europe. I think I'm talking about the right article. But I thought that was an interesting theory, a scary theory, because I'm a believer in meritocracy, but that's...

**HARRIS:** So just a couple other observations I think. Robert Putnam, who's supporting the project, he's not involved in it, and he started running alone a couple decades ago. One of his predictions, that unfortunately seems to have come to fruition, is that the decline in social capital would lead to political conflict, and that does seem to be happening. The other thing is it's useful to look across these measures, I said early on, that this is putting together a puzzle, and when you start looking at things together, it gives you a different impression of what's going on. The decline in support for democracy you think might be related to the decline in support for the federal government, or trust in the federal government, since that's who we're voting for, in a sense, are the elected officials that run the government. There's been a pretty steep decline in very low levels of trust in the federal government. So, I think those two trends may be connected and, like I said, also connected to social isolation and polarization and these other trends.

**GALSTON:** Well, let me just close by thanking the panel for showing extraordinary discipline in their remarks, and the same goes for the audience. I think we all owe the panel and the project a round of applause for undertaking a daunting task and managing to throw some light on our condition.