

Economic Dignity

We must not lose sight of what economic policy is all about: allowing people to lead dignified lives.

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Construction workers march toward the Washington, DC Metro headquarters, Nov. 11, 1974. Photo courtesy of [AFL-CIO](#) CC 2.0

For all the things we find time for in the ongoing economic policy debates I have seen or been part of over the last 30 years, there seems to me too little reflection on the most basic economic question of all: What exactly is our ultimate economic goal in terms of increasing human happiness and well-being?

Indeed, in the absence of that more clear focus on an economic fixed star, it becomes too easy to start to see the economic targets, political strategies, and specific policy postures as if they were the end goals in themselves—as opposed to means to arrive at a higher end goal for lifting up human fulfillment.

Over the years, I have found myself stepping outside of the normal metrics that define our national economic dialogue to ask myself: What would a person on his or her death bed say mattered most in his or her economic life? That is the question that guides this essay. It seeks neither to explore highly technical issues of economic measurement nor sort out competing theories of social justice. It is rather one policymaker's attempt to go out of the comfort zone of numbers to delve into this larger question.

At a moment when the very capacity of modern capitalism to avoid accelerating inequality, a hollowed-out middle class, structural poverty, and growing economic insecurity is being questioned—and even the role of work in a coming age of A.I. and robots is less certain—we should be stepping back to reflect on what is precisely the ultimate economic goal we aspire to. Simply put: If you live in times when major steps forward are needed, it is important to be clear on your destination—or at least to know the North Star that is guiding you.

My answer to the end goal question is what I will define as “economic dignity.”

I. Defining Economic Dignity

Like values such as freedom or liberty, economic dignity is a concept that brings with it great intuitive power, but usually lacks a rigorous definition. There is no shortage of usages of the word “dignity”—from showing grace under difficult circumstances (“He handled the rebuke with great dignity.”), to the basic respect all people are due by virtue of their common humanity recognized in the UN Universal Declaration of Human Rights, to the respect for autonomy of the individual that Supreme Court justices from William Brennan, Jr. to Anthony Kennedy have found embedded in the core of the Constitution.

In the realm of economic policy, dignity is often invoked with power and eloquence to refer to a higher, more spiritual impact on individual integrity and self-worth beyond dollars and cents—especially related to work, retirement, and civil rights. Labor leaders from Mother Jones to Cesar Chavez, and civil rights icons like Martin Luther King, Jr. and Bayard Rustin, made clear that beyond the higher wages or better benefits that came with unionization or new civil rights laws was the sense of dignity won through those gains. A person’s race, gender, or lack of labor market power could no longer be used to deny her the basic respect, autonomy, and agency she should possess by virtue of her effort and humanity. From Franklin Roosevelt’s creation of Social Security in the 1930s, to Ai-jen Poo’s advocacy for a revolution of care more than 80 years later, as the head of the National Domestic Workers Alliance, the notion of a “dignified retirement” has been invoked by countless political leaders. Former Vice President Joe Biden has, for decades, talked eloquently about the idea that a job is never about just a paycheck, but “your dignity,” while Senator Sherrod Brown frames many of his policies as promoting the “dignity of work”—as do job guarantee advocates like professor Darrick Hamilton. I identified “economic dignity” in 2005 in my book [The Pro-Growth Progressive](#) as the first of three progressive values by which we should guide and judge economic success.

This essay seeks to go beyond those invocations. It seeks to lay out three essential, interlocking pillars that define economic dignity and argue that it should be *the singular end goal for economic policy and basis for policy prioritization*. This definition of economic dignity is rooted in the best angels of the American character, helps substantially explain how we have navigated our relationship between market and government, and can serve as our economic North Star looking forward.

Pillar One: The capacity to care for family and experience its greatest joys

An economic dignity compact must ensure that those who do their part are able to care and provide opportunity for family—and enjoy the greatest, most incalculable joys that come with that role. While complete economic equality will always be an unrealistic goal, what is both achievable and morally compelling is to protect the most natural equality: that while high income can make life easier, the greatest joys in life—the birth of one’s children, the companionship of a loving partner, the love of family and friends, and the fulfillment that comes from caring for and providing opportunity to these loved ones—must be available to all. And yet, while there is deep truth to the saying that “The best things in life are free,” the reality is that economic deprivation, discrimination, flaws in market rules, and gaping holes in the safety net deny tens of millions of Americans these familial joys.

Satisfaction of this first pillar no doubt means at least achieving affordable health security for all, a more secure retirement, and a dignified wage. Yet the extent of such provisions must be seen as evolving. Ensuring a quality higher education for one's children has become more essential for economic security and mobility, so has ensuring such education for one's children become a more essential component of economic dignity for parents—as it has become critical to the economic security and mobility of their children. While they were not components of FDR's Second Bill of Rights, support for child and elderly care and paid family leave should today be seen as essential to this first pillar—an ability for workers to bond with a new child or care for an elderly parent lies at the heart of economic dignity.

Pillar Two: Pursuit of potential and purpose

Each American must have true first *and* second chances to pursue his or her potential. As Martha Nussbaum writes, “The notion of dignity is closely related to the idea of active striving.” Across the American political landscape, we praise the distinctive ideal that the accident of your birth should not determine the outcome of your life; that regardless of race, religion, or economic station—everyone should have the ability to pursue his or her potential. Beyond that, we celebrate second and third chances regardless of accidents of the economy, chance, and even personal error. As even a Republican President like George W. Bush has recognized, we idealize the United States as “the land of second chances.” In the early 1800s, the United States was unique in its commitment to end debtors' prisons and define the need for early bankruptcy laws not just to prevent creditor-rushes, but also to give the debtor “a fresh start”—a chance to still contribute, pursue potential, and find purpose. This willingness to give second chances to those who were bankrupt astonished Alexis de Tocqueville, writes the historian Edward Ballen.

Yet there are few areas where our past and present realities have diverged so dramatically from our ideals. It is to our deep national shame that these ideals often have not extended to the majority of our population for most of our history—through slavery, cruel and lingering racial discrimination, closed doors and glass ceilings for women, and the harsh reality that fewer than one in ten people from low-income families earns a bachelor's degree. For those who happen to work in the wrong industry at the wrong time, whose factories close and communities wither, who struggle with disability or long-term unemployment, or who at some point engage with our criminal justice system, the American promise of limitless potential and second chances feels distant. We see this painfully illustrated in the rise of so-called “deaths of despair” from addiction and suicide. While they are often discussed as if they were two completely different segments of America, what sadly links the laid-off white Rust Belt worker in his 50s to the low-income minority youth from a dysfunctional school and economically disadvantaged community is the dignity hit of feeling denied a real chance to pursue his or her full potential and purpose.

Pillar Three: Economic participation without domination and humiliation

A definition of economic dignity must include the capacity to contribute economically with respect and without domination and humiliation. Without this third leg, the necessity, if not desperation, for employment needed to fulfill the first two legs of economic dignity can put workers at such a huge power imbalance that they can be forced to accept conditions that lead to humiliation, domination, abuse, and the denial of the basic joys of family.

While public programs like Social Security can be viewed as *positive* or affirmative protections of economic dignity, measures that outlaw sweatshops, child labor, sexual harassment, and other forms of exploitation can be viewed as *negative* protections that place limits on the degree to which we permit markets to impinge on the basic integrity and autonomy of people due to power differentials. These are the limits to exploitative and repulsive conditions in mining, factories, and breweries exposed by Mother Jones and described by FDR’s Secretary of Labor Frances Perkins as employment composed of “frightful injustice” and “humiliating dependence”—and which too frequently exist to varying degrees today. Such negative protections draw on Kant’s definition of dignity: that people should never be treated as only means to an end, but as ends in themselves. It is a recognition that there are *spheres of dignity* that should not be traded, trampled, or compromised by government or market players in pursuit of economic metrics or profits.

I’ve found myself stepping outside usual economic metrics to ask: What would people on their death bed say mattered most in their economic lives?

It is in this sphere that we see the degree to which economic dignity has served as a mediating force in our nation’s historic tension between collective justice and untamed individualism. Gradually, we have chosen to protect spheres of dignity in the job market—against humiliation, dominance, harassment, and discrimination—as the realities of economic desperation and power imbalance have overwhelmed freedom of contract. We saw this with the Supreme Court, as it went from striking down minimum wage laws in *Adkins v. Children’s Hospital* in 1923 to upholding them in 1937 in *West Coast Hotel v. Parrish*. Chief Justice Charles Evan Hughes explicitly recognized the potential loss of economic dignity for vulnerable workers—particularly women—because “bargaining power is relatively weak, and...they are the ready victims of those who would take advantage of their necessitous circumstances.” New collective bargaining laws upheld by the Supreme Court in this same period represented a clear rejection of the formal view of an individual employee and an individual company engaged in equal freedom to contract, and a recognition that without the freedom to organize, “workers often had to accept employment on whatever terms employers dictated” due to “the bargaining power imbalance workers faced,” as Justice Ginsburg wrote in her recent dissent in *Epic Systems v. Lewis*.

Participating in the economy without domination or humiliation need not refer only to work. It can also extend to protections against abusive or predatory practices impacting people in their roles as consumers, renters, and borrowers. As we saw in the lead-up to the financial crisis, the spread of predatory practices in the housing market, for-profit education, and other areas can deliver assaults on economic dignity that can at times be as devastating as those relating to labor. In this sense, the Consumer Financial Protection Bureau (CFPB) spearheaded by Elizabeth Warren should be seen less as a reaction to the financial crisis and more as a structural response to the predation families can suffer that threaten their economic dignity in their role as borrowers, renters, and consumers trying to meet the essential elements of caring for family.

II. An Economic Dignity End Goal: Why It Matters

Consider four reasons why an end goal of economic dignity would improve the lens by which policymakers and the public view key economic policy issues.

1. EMPHASIZE ECONOMIC DIGNITY OVER GROSS DOMESTIC PRODUCT

Historically, we measure economic progress first and foremost by growth. Yes, growth can be an essential means to our goals, but it is not an end goal in and of itself. How can 4 percent growth be declared an end goal, when that tells you nothing about whether the gains all went to a royal family or to only the top 1 percent of 1 percent, while perhaps also masking declines in the standard of living of most of a nation? The power of GDP and productivity growth ultimately lies only in the degree that they improve human happiness, fulfillment, and dignity for the many. What is so unfortunate about John F. Kennedy's famous line that "a rising tide lifts all boats" is that it conflates growth with lifting all people up when there is nothing automatic about that relationship.

Even more inclusive economic metrics cannot replace an end goal like economic dignity. A country's Gini coefficient—which measures income inequality—could "improve" if incomes for the top 1 percent fell 30 percent while other incomes plunged only 20 percent, though few would think human fulfillment had improved. Focusing on median income as an end goal can blind policymakers from seeing the rise of anxiety and economic desperation due to economic insecurity and Swiss-cheese safety nets that could accompany a period of short-term median wage increases. Even the metric of job volume can lead policymakers to make the faulty assumption that the minimum wage should be capped precisely at the point it might result in even a very marginal reduction in jobs, without consideration of the economic dignity benefits of higher wages to tens of millions of families and the potential to compensate for small reductions through simultaneous increases in national service or infrastructure or green economy jobs.

One can't underestimate the degree that focus on these metrics can confuse our economic aspirations. In 2010, the fact that tens of millions of working parents were a pink slip away from not being able to care for their most loved ones in times of heartbreaking illness should have topped any list of priorities needed to fulfill an economic dignity compact. Yet, because this was not seen as a driver of GDP, even some Democratic leaders questioned the prioritization of enacting the Affordable Care Act in 2010 as "not focused on the economy"—which reflects the depth of confusion between a focus on GDP versus a focus on the fundamental end goal of economic dignity.

Prioritizing an economic dignity end goal over economic statistics can embody the maxim that it is better to be approximately right than precisely wrong. In development economics, scholars like Amartya Sen and Martha Nussbaum have grappled with this issue, and encouraged a de-emphasis of metrics like GDP in favor of measuring the concept of human "capabilities" that they closely define with dignity. When President Obama and his regulatory director Cass Sunstein chose to include considerations of dignity in cost-benefit calculations, it reflected both a recognition that while dignity "couldn't easily be turned into monetary values . . . if you're looking at a rule for veterans to get access to a building . . . monetized figures don't always capture everything that's at stake."

If we are to seek an economic metric worthy of serving as an economic North Star, it would have to analyze the cumulative impact of the economy and economic policy on human well-being. The 2009 Commission on the Measurement of Economic Performance led by Joseph Stiglitz, Sen, and Jean-Paul Fitoussi explicitly sought to start a global discussion of how best to measure quality of life and well-being, and not just GDP—a project Stiglitz and the OECD have continued. While

there is no escaping qualitative judgements in defining an economic dignity goal, if we're in search of a more meaningful metric, it would be an evolving "Economic Dignity Index" that looked at the various end impacts on human well-being: health care, college opportunity, second chances, affordable housing, environmental quality, and worker participation.

2. BALANCE ECONOMIC DIGNITY WITH CONSUMER WELFARE

An economic dignity perspective can also provide an important alternative paradigm to assumed consumer welfare goals. An economic dignity goal would still weigh widespread consumer benefits in terms of the degree to which convenience and lower prices ease the goal of caring for family—it simply would not assume such consumer welfare calculations should be dominant regardless of other economic dignity considerations.

In antitrust, experts like Lina Khan, Tim Wu, and Barry Lynn have rightly called into question the dominance of one very narrow type of harm—higher prices to consumers—which they argue favors the more recent interpretations by so-called Chicago School of Economics thinkers over the vision and true goals of Congress and leaders like Theodore Roosevelt and Louis Brandeis. One only has to read Ida Tarbell's description of how her father and friends in Pennsylvania felt that "dignity and success lay in being your own master" and yet "were entirely at the mercy" of monopoly and dishonesty to know that protecting the economic dignity of small business owners and suppliers in the face of domination and humiliation was at the emotional core of those who first challenged John D. Rockefeller.

Likewise, issues of economic dignity should be more front and center on trade—as opposed to taking a back seat to a consumer welfare analysis. The conventional wisdom among many economists and policymakers who have support for trade liberalization has been that even with the concentrated losses of some jobs, when calculating in the benefits of lower prices, higher innovation, and the movement toward higher value added work, there is nonetheless a strong net consumer welfare gain to most new free trade agreements. The last two Democratic administrations—which I was a part of—were highly focused on ensuring that major trade decisions were accompanied by more expansive aid to those who lost out, but they often felt the foreign policy and economic benefits justified going forward even though they lacked congressional support for the depth and breadth of the safety net they envisioned.

An economic dignity framework, however, would still weigh the benefits of lower prices for workers trying to care for family, but as part of a full consideration of economic dignity, not as a rigid consumer welfare test. Importantly, it would force consideration of when—in the absence of a far stronger safety net, community adjustment policy, and second chance opportunities—even trade policies with price benefits should be put on hold until the United States has a true economic dignity net and stopped being the most stingy of major, highly industrialized nations in the world for helping dislocated workers and hard-hit communities.

The same analysis applies to technological development. No one should be considered a Luddite merely for considering issues of economic dignity as we confront the ongoing threat of job polarization due to the acceleration of AI, robots, and automation. As MIT professors Erik Brynjolfsson and Andrew McAfee conclude in *The Second Machine Age*, "Technology is not destiny. We shape our destiny." A focus on efficiency and consumer prices should not short-

circuit debates over the pros and cons of shaping policy to favor U.S. jobs and automation—or at least level the playing field between them. Nor should it hamper debates over when we should favor people over robots in sensitive areas of our lives and democracy, or when some form of cross-subsidy between job-reducing technology and new publicly funded jobs and wage subsidies should exist.

None of this is suggesting we can or should want to stand in the way of disruptive innovation and economic change, if that change brings widespread progress, new jobs, and new industries as well as bold solutions to climate change—the equivalent of impeding the development of the automobile industry, for instance, to protect the economic dignity of those in the horse industry. Instead, this is about building an economic dignity net that does not accept that the price of change must be indifference to job quality and grievous economic harms to a segment of working families simply because they were in the wrong job in the wrong industry in the wrong region at the wrong time.

3. FOCUS ON END GOALS FOR PEOPLE OVER IDEOLOGY

An economic dignity goal makes the central focus of economic policy its end impacts on human well-being as opposed to an ideological or theoretical debate over whether services should be delivered by market mechanisms or government. Market fundamentalists on the right too often see the use of market mechanisms as the end goal due to their belief that it is inherently more efficient and promotional of freedom. While there are no doubt areas, like public education and criminal justice, where the public mission compels a government-run approach, some on the left see government as always inherently fairer, and make provision by government an end goal in itself.

Rather than starting with an automatic preference for market or government delivery, an economic dignity test would require each to show that they are in fact more effective in providing the components of economic dignity in different areas—a decision to make the proof in the pudding.

This does not mean that an economic dignity test is indifferent to the role of government in the economy. This end goal *significantly expands the degree to which government guarantees the basic components of economic dignity*—regardless of the accident of birth, economic events, technological trends, or just bad luck. The ultimate responsibility to ensure that citizens can obtain dignity falls on government, even if the delivery mechanism chosen to provide those ends might sometimes be the market.

Take the health-care debate. The claim by Howard Schultz that a Medicare for All policy is “not American” is an unfortunate example of focusing on the means of delivery—in this case an all-government program—as opposed to debating what most effectively delivers the health security essential to economic dignity. The entire posture of the right for decades has been to debate health care purely on ideology—market over government—without ever holding itself to the basic laws of health economics. But those laws make it obvious that without mandates, high subsidies, or required pooling, any market approach will leave devastating holes in health security.

A government-run single-payer scheme could do well on an economic dignity test—not because it is all-government-provided per se, but because if executed as intended, it would succeed in ensuring the goal of health care as a right. An economic dignity test, however, would separate the inflexible requirement of affordable health security for all from the analytical question of what

the best or most realistic way to meet that end goal is. While advocates could argue for single payer as the most efficient or effective means to ensuring affordable health care as a right, this approach would not automatically shut down consideration of whether a government guarantee of health security involving a mix of government and private market mechanisms—like a major public option or universal Medicare or Medicaid buy-in—could do as well, or even better, in achieving the economic dignity test.

This end goal of economic dignity could possibly reduce some of the policy tribalism in the United States. The debate over pre-existing conditions has been a prime example. When advocates successfully focused the debate on the end goal—no price discrimination against those with serious illnesses—as opposed to whether it was “big government” or not, voters across the political and ideological spectrum united in support of the policy. It is possible that a greater focus on dignity might open up more minds to considering different solutions.

4. UNDERSTAND THE IMPORTANCE OF CONTINUALLY STRUCTURING MARKETS TO PROMOTE ECONOMIC DIGNITY

This focus on end impacts on people—as opposed to idealized assumptions about the values inherent in markets—forces a constant review of whether the structure of markets and competition is encouraging or undercutting economic dignity, and a commitment to take corrective action when it is the latter. While the economy at our founding is forever scarred by slavery as well as second-class citizenship for women and many others, for the yeoman farmers and small artisans, the market economy in the United States was in some ways a relative breakthrough for economic dignity. The accident of one’s birth for those without wealth or stature was less of a limit on mobility and pursuit of potential, and there was greater capacity for autonomous work to care for family without the domination of a feudal lord or government monopoly. Economic historians have indeed noted that “[I]t is [likely](#) that overall economic inequality was considerably less in the mainland colonies than in England at the time.”

Today, even some commentators on the right have questioned the virtue of loyalty to market fundamentalism that seems blind to morality or fairness. Such protestations are welcome, but they have little substance without a willingness to deploy public policies and regulations to structure market competition and foster economic dignity. While many conservatives reflexively label all regulation as anti-market interference, regulations that outlaw exploitative and predatory practices toward workers and consumers can better be seen as simply structuring “high road” competition that does not allow competitive advantage to be achieved by race-to-the-bottom practices. In poorly regulated markets, those seeking to take the high road on economic dignity can legitimately fear losing market share as well as credibility within their companies if they can be undercut by competitors legally deploying exploitative practices. It is this rationale that should be seen as a core component of the CFPB’s mission and of consumer regulations that seek to prevent predatory practices in areas like mortgage origination, payday lending, and for-profit education. Increasing the legal clarity around the fact that executives or boards of directors should, or at least can, prioritize the well-being of workers and the economics and environment of communities—as opposed to just maximizing shareholder value—is another example of how restructuring market rules can encourage or at least not undercut competition that promotes economic dignity.

Another example is our current set of policies regarding the rules, subsidies, and incentives around health and retirement benefits. Trends over the last few decades have clearly created a set of incentives that have fostered a competitive advantage for those companies who are best at contracting out for jobs that were formerly in-house. For example, more and more major companies hardly flinch at contracting out for food, janitorial, and data service jobs. The impact has been millions losing benefits and no longer sharing in the economic gains of major companies—a significant component of job sorting that economists estimate has contributed about one-third of recent increases in earnings inequality.

When existing policy frameworks create an incentive structure that leads to the diminishment of economic dignity—in this case economic security for less skilled workers—policymakers must restructure those incentives. This could be through a combination of tougher independent contractor rules, more benefits flowing from government, or an arrangement that requires employers to pay a similar slice of benefits for anyone doing work for them—regardless of employment status—so there is no cost advantage to only having elite workers officially on the payrolls of large companies.

III: Guideposts For A Progressive Path To Economic Dignity

The consistent ideological focus by conservatives on smaller government, thinner safety nets, and less regulation blinds them from acknowledging both the threats and necessary public policy responses to economic dignity. Progressives, on the other hand, have shown an increased boldness in proposing new policies aimed at addressing economic dignity gaps. As important as this enhanced economic dialogue is, much of the hard work lies in design issues, trade-offs, and the prioritization that comes from pulling together the critical components of a compact for economic dignity. Below are five guideposts that should inform that deliberation.

1. STRUCTURE LABOR MARKETS TO PREVENT THE DIGNITY HARMS INVISIBLE IN ECONOMIC METRICS

As important as progress on economic dignity in measurable areas like the poverty rate and median income is, many of the economic dignity harms suffered by millions of workers do not show up in any official metrics: They are the direct result of domination and humiliation in the workplace. Particularly vulnerable workers who are not unionized, or who lack language skills and reasonable options to exit abusive work conditions, are most prone to a denial of economic dignity that can be invisible under current economic accounting. It is a shame that it took urban elites focusing (and relying) on Uber and Instacart to indirectly help raise to the fore the working conditions and economic insecurity that more vulnerable populations like domestic, care, and other contract workers have faced for decades.

As University of Michigan philosopher Elizabeth Anderson [has written](#), compared to the focus on *getting* jobs, there is an eerie degree of silence on the arbitrary domination so many millions of Americans experience when they are actually working. To start, this means elevating worker dignity when making cost-benefit regulatory decisions—such as in the case of maximum line speeds in the poultry and hog industries. Oxfam and the National Employment Law Project have rightly called those industries out for leading to injuries or to the humiliation of denied bathroom breaks that leave workers no option but to wear diapers.

An economic dignity end goal should also elevate the focus on structuring labor markets in order to give more workers the leverage and voice needed for economic dignity on the job. At least five areas are critical:

- One, imposing full employment monetary and fiscal policy that fosters tight labor markets is a triple win for economic dignity. It leads to higher wages, and it helps overcome so-called structural unemployment by giving companies more incentive to provide intensive training to potential workers. Meanwhile, the high demand for labor gives more workers the “take this job and shove it” leverage to demand more dignified working conditions.
- Two, eliminating policies that reduce the freedom of workers to exit or negotiate for better conditions, such as non-compete clauses and forced arbitration clauses that can effectively prevent workers from access to courts and banding together in class action lawsuits. The Economic Policy Institute [found](#) that since 1991, mandatory arbitration has skyrocketed and is now used in 65.1 percent of non-union companies with 1,000 or more employees. Also included must be reforming aspects of H-1B visas that make workers essentially quasi-indentured servants, and—at long last—creating a path to legal work and ultimately citizenship for undocumented workers with no power to protest their treatment due to the increasing dangers of coming out of the shadows.
- Three, we need both expansions of traditional unionization through ending abuses to the collective bargaining process, and support for the wider degree of grassroots, laboratory-of-democracy approaches for those often left out by formal collective bargaining—including the domestic workers bill of rights legislation spearheaded by people like Ai-jen Poo and David Rolf in places like New York and Seattle by the National Domestic Workers Alliance and other groups.
- Four, we need measures to combat all forms of racism in the workplace, as well as the epidemic of sexual harassment and assault unearthed by the #MeToo movement. Special focus should be given to protections for the most vulnerable, like the state law, pushed by the Ya Basta coalition and California Service Employees International Union (SEIU) led by Laphonza Butler that provides greater protections against sexual assault for vulnerable female janitors working night shifts.
- Five, we need a more serious look at greater worker representation in making the rules about working conditions, from European-style co-determination measures to worker councils.

2. FOCUS WITH PASSION ON POTENTIAL AND PURPOSE

We need a comprehensive skills and higher-education agenda for ensuring true first and second chances. Some progressive economists feared that, in the 1990s, too strong a focus on human capital led to a minimization of the importance of structural issues concerning markets, economic power, and full-employment policies to ensure tight labor markets. Those like EPI’s Larry Mishel, who have long [made these arguments](#), have been proven right following economic developments over the last two decades. There has also been justifiable anger in more recent years over the degree to which employers resort to crying “skills gap” in cases where higher wages and modest training could have punched the ticket.

Yet, being right on the importance of addressing structural issues, tight labor markets, and exaggerated skills-gap claims cannot be a reason to downplay the importance of an all-out skills

agenda geared toward helping more Americans—especially those facing economic disadvantage or dislocation—gain the capacity to pursue their potential, purpose, and dignity through work. There are still few things that affirmatively impact lifetime income as much as a college degree. Skills that facilitate careers can be an important factor in the degree of job satisfaction many people have. And as crucial as tight labor markets can be for motivating employers to give workers with perceived barriers or disabilities a chance and some training, they will never fully replace the need for public investments in skills or completely overcome the reluctance of employers to make major investments in workers when they cannot fully capture the benefits of those investments.

Prioritizing economic dignity over economic statistics like GDP embodies the maxim that it is better to be approximately right than precisely wrong.

The fact that these challenges may not be able to be addressed with a single sweeping or sexy proposal does not make them less critical. Bold proposals for college affordability—from free tuition to ending crushing debt to major expansions in Pell grants—are an essential but far from complete agenda. Giving all people a true first chance means taking on issues from pre-school to the accelerating inequality of opportunity that explodes as children of privilege gain every advantage of college preparation while children from poor urban schools have too little help getting on the right path, often with only one college adviser for every 500-1,000 students.

As Harvard professor Lawrence Katz and others have argued, we must expand the number and enrollment of quality four-year and two-year public institutions of higher education—something that has been woefully absent as states have pulled back funding—and ensure that those offering technical credentials, particularly for-profit institutions, can show strong evidence they are offering quality and job-relevant education. It means recognizing the value of developing trusted and widely utilized skill “credentials” that match the needs of existing and future job openings and, with additional incentives, help encourage more companies to choose skilled workers over automation. If we can experience, in such a short span, a revolution in matching romantic partners over the Internet, certainly we can do better in better informing and training workers for the skills they need to meet the criteria for jobs in demand in the present and near future.

This approach means going deeper and broader—not giving up—on helping dislocated workers. Yes, by protecting earnings with policies like wage insurance, but also by ensuring the income and child-care support necessary to take on intensive and long-term education and skills needed to pursue new careers or start new businesses. I have called such a universal skills proposal “Basic Income to Rise.” It also means that, as well-intentioned as a sweeping program for guaranteed temporary low-skilled jobs may be (and perhaps essential for the long-term unemployed and during serious downturns), it is intensive skills-building and wrap-around services that can prove most critical to actually fostering careers with purpose for those dealing with economic and educational disadvantage, long-term absence from the labor market, a prison record, or a disability. This is the point missed so often by conservatives who say they prioritize self-sufficiency, but then allow their ideological objection to government to take off the table the intensive support needed for self-sufficiency that individual employers have too little incentive to fund.

From an economic dignity perspective, a job creation program should focus on what I will call “double dignity jobs”—jobs that offer workers the dignity of a sense of meaningful skilled work in the cause of closing dignity gaps for others. “Double dignity jobs” are so promising because so many of the areas where our nation faces the greatest dignity gaps are ones that offer careers with ongoing innovation and the sense of purpose in serving others. We can see this in the dramatic need for more economic support and skilled workers in areas like homecare for those older loved ones with dementia and other serious health conditions, specialized care and assistance for children and young adults with autism or Down Syndrome, quality pre-school instruction, and on-going individualized help for children from lower income backgrounds who never get true first or second chances.

Skilling up such care jobs—As SEIU President Mary Kay Henry has [long called for](#)—can lead to higher wages, more satisfying careers, and can reduce national health-care costs. And if the more severe predictions of structural reductions in the demand for labor do come true due to automation, AI, and robots, wouldn’t it be better to target our resources toward creating new jobs that have the dignity of, as Dr. King said, serving humanity?

3. EVOLVE COMPONENTS FOR CARE FOR FAMILY

An economic dignity net needs to be able to adjust and expand to the changes in economic trends and social norms that go to the heart of ensuring a capacity to care for family and realize its greatest joys. Beyond making health care a right and expanding Social Security benefits, this must include paid family leave, child-care assistance, a capacity for one’s children to access quality higher education, broader opportunities for those with disabilities, and a stronger unemployment and re-employment system. While some of those expansions may require everyone to chip in, certainly a small wealth tax on the top 0.1 percent could be among the progressive measures used to expand an economic dignity net and help more working families build a modest nest egg through homeownership and stronger retirement savings. And while some benefits will always have some connection to work, they should not be dependent on the type of work or the type of employer.

This can be an effort to encourage more employer responsibility through stricter definition of contractors, or proposals like Nick Hanauer and David Rolf’s [Shared Security System](#), which is a thoughtful effort to ensure work-connected benefits for all regardless of the type of employment. Policymakers could take the Hanauer-Rolf idea to an even more sweeping level where a small fraction of any dollar paid for any work—including contractors, household employees, care workers, and “gig economy” workers—would go to individualized federal government accounts to ensure support for Social Security, Medicare Part A, unemployment insurance, and other new benefits like paid leave, with any extra funds automatically returned or sent to a dedicated, safe tax-preferred savings account for the worker. The continuing advancements in payment technologies like those used by Venmo could, over time, make this vision easier to accomplish: In an economy where payments for work are increasingly made electronically, a small additional portion of any payment for any type of work could someday soon easily be directed to a benefits account automatically or with a single push or swipe.

In addition to bolstering economic security, this type of broader safety net has simplification and pro-growth benefits. Public options can reduce the time spent by startups and small businesses

on managing benefits. Economic dignity protections for those fearing loss of health-care coverage due to pre-existing conditions and measures that address crushing student loan debt will both encourage more, not less, risk-taking and entrepreneurship.

4. DISTINGUISH UNIVERSAL BASIC ECONOMIC DIGNITY FROM UNIVERSAL PROGRAMS

In crafting policies, it is important to distinguish between the *principle* of universal basic economic dignity (UBED) for all people and the *strategy* of designing particular programs to be universal—giving relatively equal benefits to all people regardless of income or need. The former goes to protections that are needed to ensure that all people have a guarantee of economic dignity. The latter goes to the design of benefits so that they go to virtually everyone, thus making them less prone to stigmatization and more politically bullet-proof in budget battles. The textbook case that gives credence to this political argument for universal programs is the relative political strength of Social Security and Medicare, as opposed to Medicaid or SNAP.

An economic dignity goal makes central policies' impacts on well-being as opposed to ideological debates over market versus government.

While the political logic of universal programs is important and experience-based, making individual programs universal as opposed to using some targeting based on income, need, and deprivation of economic dignity needs to be a judgment call—not a decision rule. Certainly there are areas beyond Social Security and Medicare where a universal approach may be compelling, but that cannot be a mandate for a universal approach in every case. Why? Because achieving UBED requires a series of new and existing policies and serious consideration of how to prioritize resources and political capital—rather than pretending there are never any trade-offs.

Progressive economists are on strong ground in arguing for giving greater priority to major initiatives to address economic insecurity and inequality over traditional fiscal discipline concerns and budget rules—especially when those constraints are so constantly and blatantly ignored by Republicans as soon as they get a chance to pass supply-side tax cuts. They are also right in suggesting that recent interest rate trends create more skepticism about the degree that higher U.S. public borrowing will “crowd-out” private investment and affordable mortgages. Yet, just because there is justifiably less concern over deficits crowding out private investment, this does not mean progressives can ignore the risk that some unnecessarily costly initiatives could *unnecessarily crowd out other public investments critical to economic dignity*.

This risk can be most easily seen in the case of Universal Basic Income (UBI). A UBI grant de-linked from work or income or wealth drives its cost to astronomical levels. While the cost of providing free college tuition could run as high as \$75 billion a year, the major UBI proposals run 40 times larger. A full UBI plan that offered \$12,000 per adult and \$4,000 for each child under 18 would cost at least \$3 trillion *annually*. That is nearly double what the federal government currently collects in income taxes, and even approaches current revenue from all existing federal taxes together, including income, corporate, and payroll. It is safe to say that even more moderate versions would run a heavy risk of both crowding out other bold new proposals and existing programs—especially if our nation did face a future period of public backlash against high deficits or government spending. It is telling that many on the right support UBI precisely because they expect it to lead to

the abolition of major government programs like Medicare, Medicaid, and Social Security, while even some on the left champion UBI by contrasting it with the worst caricatures of government programs as by nature prone to stigmatizing and denigrating recipients.

In addition to putting at risk existing safety-net programs, UBI could crowd out the full set of measures needed for UBED—including bold new proposals on green infrastructure jobs, expanded Social Security and health care, and free or affordable college. While even a UBI at half the size would be an enormous boost for families most in need, the excessive costs of UBI not tied to need could put at risk many of the critical efforts to address structural poverty that require a government role—not just a check—like quality preschool, after-school opportunities, more teachers, safe neighborhoods, job assistance for those with disabilities, and an affordable housing supply.

Perhaps a better way to think of “universal” is not whether it is the same for everyone, every year, but whether a set of critical programs and benefits are universally available to all when their economic dignity is at risk—with the understanding that the increased strains of economic insecurity means greater inclusion of vulnerable segments of the middle class. Indeed, increased economic volatility means that programs targeted to such hard-pressed working families will benefit a higher percentage of families at some point in their lives. Studies have shown that, prior to the Affordable Care Act, over a ten-year period, close to half of non-elderly Americans went without health-care coverage at some point, and about half of taxpayers with children received the earned income tax credit (EITC) at some point over an 18-year stretch, even prior to the EITC’s most recent expansions. If we expanded benefits and income eligibility up the income ladder to more middle-class levels, in light of increased economic insecurity, it would both increase that number, and, most likely, the political support for those types of programs without suffering the excessive costs of pure universal programs. Perhaps that is why, even though Medicaid and the EITC have been attacked repeatedly by Republican majorities in Congress, both have been actually *significantly expanded* over the last 25 years.

Rather than a full UBI, we should call for a Dignity Wage as part of a UBED package. This could be done through a combination of an automatically indexed \$15 minimum wage, together with a major expansion of the EITC and child-care support—while ensuring some form of basic income grant, child allowance, or higher refundable tax credits for those with serious disabilities or for children living in the poorest households. This would involve filling holes in the EITC for those without dependent children, as my “EITC for All” proposal does, while raising the benefit and income levels of the EITC so it is not inadvertently phased out by a higher minimum wage and supports more families struggling in the middle class. Whatever the exact costs and details, strong proposals by Ro Khanna and Sherrod Brown, as well as Kamala Harris, all move in this direction, as do state efforts like those led by Joe Sanberg in California.

5. BROADEN—DON’T ELIMINATE—AN ECONOMIC DIGNITY COMPACT

In the push to ensure a basic level of economic security regardless of the path of automation, robots, and AI, many have sought to de-link all government policies for basic economic security from the need to work or contribute. Yet, the decision to deal with our broken social compact by eliminating any sense of pulling one’s weight or doing one’s share is not the right road to universal economic dignity.

First, some sense of a social compact is rooted deep in the American character, as is a sense that working to care for family provides many with a sense of purpose and a vehicle to pursue potential. Much of the great disillusionment today exists not because people are expected to work or in some way contribute or do their part, but because they feel they did and were denied the basic measure of economic dignity that they thought they had a right to expect.

FDR always explained his vision of the New Deal through compact values: “What do the people of America want more than anything else? To my mind . . . two things . . . work and security . . . They are the spiritual values, the true goal toward which our efforts of reconstruction should lead.” In his book on FDR’s Second Bill of Rights, Cass Sunstein indeed points out that New Deal policymakers were willing to opt for economic support through employment even if it was more expensive than pure cash relief, because it honored our American sense of a social compact. Social Security was based less on “giving old people money” than it was on the compact values that “[o]ur old-age pension system . . . must be given in a manner that will respect the *dignity of the life of service and labor which our aged citizens have given to the nation*” [emphasis added].

While some on the right do use notions of the social compact to seek to unfairly denigrate a class of Americans receiving benefits as unworthy and to call for harsh and unnecessary “work requirements,” a broader sense of social compact can help people from dramatically different backgrounds support each other based on their common value of everyone doing their part. President Clinton’s statement that those who work full-time should not have to raise their families in poverty was a call for those of higher incomes to not see the working poor as an undeserving other, but as those who were sharing in the unifying tradition to work hard to care for family and thus a reason to dramatically expand the EITC. Before him, Martin Luther King, Jr. drew on that same sense of compact in Memphis when he linked the plight of sanitation workers to doctors, “for the person who picks up our garbage is in the final analysis as significant as the physician, for if he doesn’t do his job, diseases are rampant. All labor has dignity.”

We should, however, be open to broadening the sense of compact beyond just formal jobs, as the deeper value at stake is carrying your part of the load. This should make us open to an expanded economic dignity compact that includes contribution through personal care for family, service to community, or efforts to increase one’s skills. Even in the development of the explicit compact in FDR’s Second Bill of Rights, individual responsibility is described as broader than just work: “the right to...command the necessities and amenities of life in exchange for work, *ideas, thrift and other socially valuable service*” [emphasis added]. We are already seeing this expansion of what constitutes “doing your part” in the growing pushes for the Social Security benefit formula to recognize years raising children, for paying family members engaged in uncompensated caregiving, or for broadening the EITC to cover unpaid care workers and students.

Conclusion

Debates over political trends, warring policy camps, economic metrics, and winning economic strategies are the lifeblood of our national political and economic dialogue. But they can also come at a cost: It becomes too easy for too many of us to dig in on specific policies and strategies as if they were ends in themselves. Having a clear view of what our end goal for human well-being is—and keeping it front and center—can help all of us be open to new evidence and committed to continually evaluating what works best to achieve economic dignity for all.

Government cannot guarantee happiness. But there is little question that with wise and just policy, we do have the power to say to all our people that if you do your part, you can care for family, pursue potential and purpose without ever feeling that you have been given up on, and participate in our economy with a degree of fairness and respect as opposed to domination and humiliation. That much—that basic promise of economic dignity for all—is something that is within our grasp.