

OCTOBER 2019

ANSWERING AMERICA

THE BUSINESS CASE
AGAINST TRUMP'S AGENDA



BUSINESSFORWARD
FOUNDATION

INTRODUCTION

From 1992 through 2012, Iowa, Michigan, Ohio, Pennsylvania, and Wisconsin voted for the Democratic presidential candidate 27 out of 30 times. In 2016, Trump swept all five – largely because of the promises he made to save coal, build a wall, and put “America first.” Those ideas polled well in 2016 and remain popular today. Americans are right to ask whether we have room for more immigrants, whether a wall will make us safer, and what it will cost to fix our climate.

Nearly three years into Trump’s first term, Americans are also asking about Trump’s record. Did his “middle-class tax cut” actually help the middle-class? Are we

winning these trade wars? Can Trump bring back the manufacturing jobs we lost?

And why is he cutting programs that make it easier for working women to plan and raise their families?

Most politicians argue about climate change in moral terms. Business leaders ask, “What does it mean for my bottom line?” Most think tanks argue over workplace equality as a civil right. Business leaders emphasize it as a \$1 trillion market opportunity. Trump sees Muslims and Mexicans as a security threat. Business leaders see colleagues, customers, suppliers, investors, and competitors

Our “business case” approach focuses on costs, return on investment, long-term trends, and what our competitors are doing. By doing so, we hope to re-establish common ground, work from the same set of facts, and rebuild the kind of political consensus real reform requires.



JIM DOYLE
PRESIDENT,
BUSINESS FORWARD FOUNDATION



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ABOUT THE BUSINESS FORWARD FOUNDATION

The Business Forward Foundation is an independent research and education organization that takes a business-minded look at policy issues affecting America's economic competitiveness. Our work combines insights and advice from tens of thousands of business leaders across the country with rigorous policy analysis.

Through white papers, issue briefs, conference calls, and other events, we educate policy makers and the public about climate change, immigration reform, infrastructure investment, the future of work, and other critical issues.

Over 10 years, we've organized briefings with more than 150,000 local business leaders across the U.S. More than 650 mayors, governors, members of Congress, and senior Administration officials have participated, including two presidents, a vice president, and most of the women and men running for president.

OUR TEAM

Jack Behm
Research Associate

Alli Berry
Research Manager

Collin Buchanan
Research Associate

Jim Doyle
President,
Business Forward
Foundation and
Business Forward Inc.

Anthony Dumville
Creative Director

Suzy Fitzgerald
Digital Manager

Megan Gargaro
Digital Associate

Alexia Lipman
Digital Manager

Sarina Margolin
Digital Associate

Ed Meier
Senior Advisor

Alex Pasanen
Research Manager

Jana Plat
Director of
Programming

Eli Weiner
Editorial Associate



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A NOTE ABOUT OUR SOURCES, APPROACH, AND FOCUS

WE PREFER DATA AND ANALYSIS FROM REPUBLICANS OR INDEPENDENT AGENCIES

It's hard to convince undecided voters by citing sources they've been told to distrust.

Business Forward cites Business Roundtable, a national nonpartisan trade group that generally supports conservative policies, on immigration reform and CEO confidence. We cite Republican Congressman Will Hurd on border security, and Republican Senators Chuck Grassley and Pat Toomey on the cost of Trump's trade war.

We cite the Wall Street Journal on business trends. On taxes, we cite both the Congressional Research Service and the progressive Institute on Taxation and Economic Policy. On coal, we cite the Department of Energy, Bureau of Labor Statistics, and Stanford University. On jobs, we use Bureau of Labor Statistics data and analysis from Deloitte, McKinsey & Company, and the World Economic Forum.

IN BUSINESS, REINFORCING CYCLES CAN BE DECISIVE

Clean energy is benefitting from a virtuous reinforcing cycle: Investments in R&D made a decade ago increased capacity, lowered prices, and generated new demand. That new demand encouraged more R&D, which generated even greater efficiencies, and so on. The result? Wind and solar power prices fell 49% and 85% since 2010, respectively, and are projected to drop another 48% and 63% by 2050.

By comparison, most counties in the U.S. are struggling with a negative reinforcing demographic cycle. Their aging workforce is hurting job growth, tax revenue, and home values, which is causing younger workers to move away, which puts further pressure on job growth, tax revenue, and property values, and so on.

Some of our biggest problems — like climate change, deficit spending, college loan debt, and our crumbling infrastructure — are creating negative cycles. The longer we wait, the harder they get to fix.

WE LOOK TO COMPETITORS FOR PERSPECTIVE

Good business leaders keep a close eye on their competitors.

Think we're spending too much on renewable energy, high-speed rail, or airport improvements? Think again. China invests 1.6X as much as the U.S. in renewable energy and 11.7X more on infrastructure. They have 19,000 miles of high-speed rail; we have 34.

Think working mothers are better off in the U.S.? Other advanced nations invest 3X more in family support.

The U.S., once a leader in smart investments like these, is falling behind. To fix Washington, we must demonstrate what these gaps mean.

FOCUS ON IOWA, MICHIGAN, OHIO, PENNSYLVANIA, AND WISCONSIN

Throughout this book, we provide case studies from these states. Here's why:

First, Trump's promises were popular across these states in 2016 and remain popular today. Ideas like building a wall, bringing back old manufacturing jobs, and putting "America first" resonate with these voters.

Second, these states are disproportionately disrupted by economic trends (like automation) and demographic trends (like a shrinking, aging workforce). Trump's trade wars and inadequate infrastructure investment are hitting them particularly hard.

Third, many assets on which these states rely — natural resources, skilled workforce, corporate concentration, research institutions, and infrastructure — are threatened. Climate change threatens farm yields and automotive supply chains. Many of the river levees, roads, bridges, and railways that connect companies to other markets are underfunded and structurally unsound.



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Q1: IS AMERICA FULL?

NO. MOST COMMUNITIES ARE SHRINKING. WE'RE GETTING OLDER. WE NEED IMMIGRANTS.

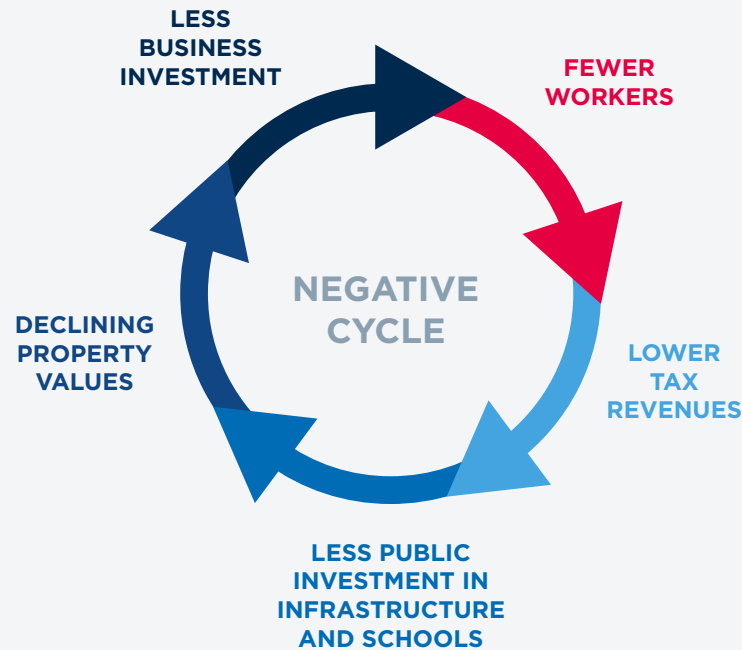
We have plenty of land, water, food, and energy. Our real problem is fewer babies, fewer workers, and migration from small towns to big cities.

When a community ages and shrinks, it creates a negative cycle that's hard to break. Immigrants can break the negative cycle.

Trump's restrictive immigration policies are bad for business, property values, pensions, and Social Security.

Over 10 years, his policies could cost at least \$1.5 trillion in economic growth and 15.3 million jobs.¹

SHRINKING COMMUNITIES ENTER A NEGATIVE CYCLE

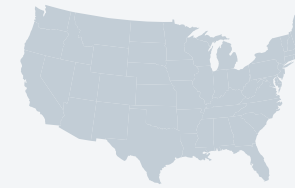


IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE

NATIONAL IMPACT (10 YEARS)²

BALANCED REFORM

+\$831B
GDP
+8.4M
JOBS



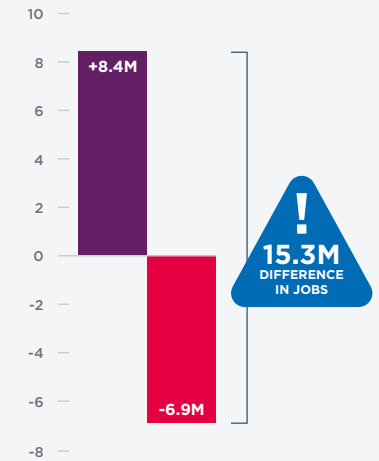
RESTRICTIVE PLAN

-\$640B
GDP
-6.9M
JOBS

GDP



JOBS



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Q2: DO WE NEED TO BUILD A WALL?

NO. THERE ARE BETTER, CHEAPER WAYS TO PROTECT THE BORDER. TRUMP SHOULD FOCUS LESS ATTENTION ON HIS WALL AND START FIXING THE BRIDGES, LEVEES, ROADS, AND RAILWAYS U.S. BUSINESSES NEED.

Trump's wall, which engineers price at \$31 billion, won't work as promised because most drugs and criminals cross our borders through ports, over roads, or by air.³ A Republican proposal that uses satellites, drones, and tracking technology could work, for about \$1 billion.⁴

Trump's preoccupation with his wall comes at a steep price. Despite bipartisan support for a massive infrastructure deal, Trump has yet to submit legislation — and his draft proposal would cover just 11% of the shortfall in infrastructure funding.^{5, 6}

Today, U.S. infrastructure earns a D+.⁷ In key sectors, Midwest states score even worse. Yet, we consistently invest far less than our global competitors.

“ I think building a concrete structure sea to shining sea is the most expensive and least effective way to do border security.”

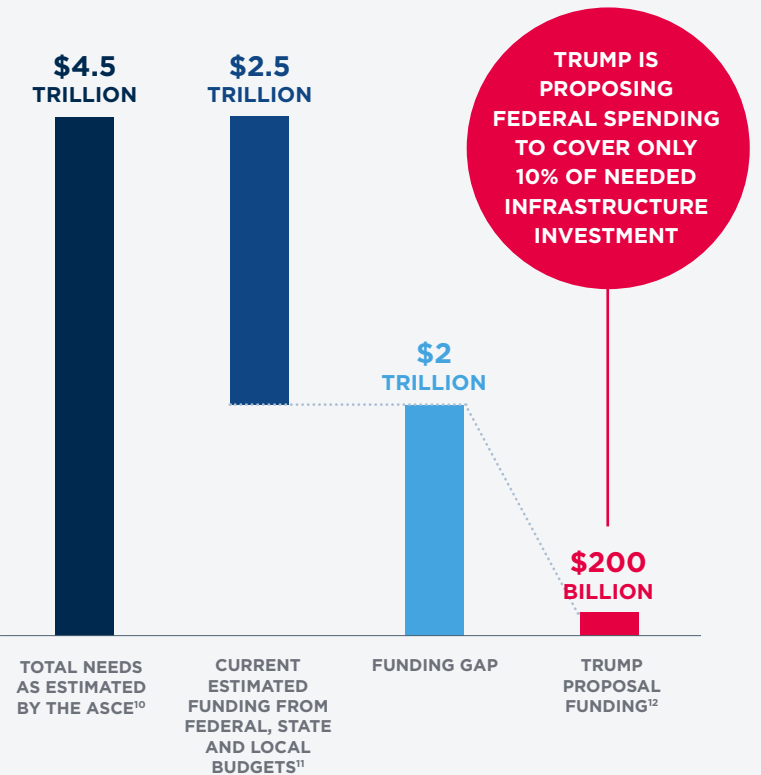
- REP. WILL HURD (R-TX, FORMER CIA AGENT) REPRESENTS TEXAS' 23RD CONGRESSIONAL DISTRICT, WHICH STRETCHES ROUGHLY 820 MILES OF THE BORDER

Congressman Hurd and six co-sponsors (including Democrat Henry Cuellar) proposed the SMART Act, which relies on technological solutions to secure the border.

“People that are dealing with this issue know that a third century solution to a 21st century problem is not going to fix this long term.”⁹

- REP. WILL HURD

TOTAL NEEDS, ESTIMATED FUNDING, FUNDING GAP, AND TRUMP PROPOSAL OVER 10 YEARS



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Q3: ARE TRUMP'S TAX CUTS HELPING THE MIDDLE CLASS?

NOT REALLY. MOST OF TRUMP'S \$1.9 TRILLION IN CUTS BENEFIT WEALTHY FAMILIES (BY DESIGN), AND TRUMP WANTS TO PAY FOR IT ALL BY CUTTING SOCIAL SECURITY AND HEALTH CARE.

Chances are, you got a tax cut. Chances are, you also got screwed. The top 5% took more than half of the pie and left the rest of us to pay the check.¹³

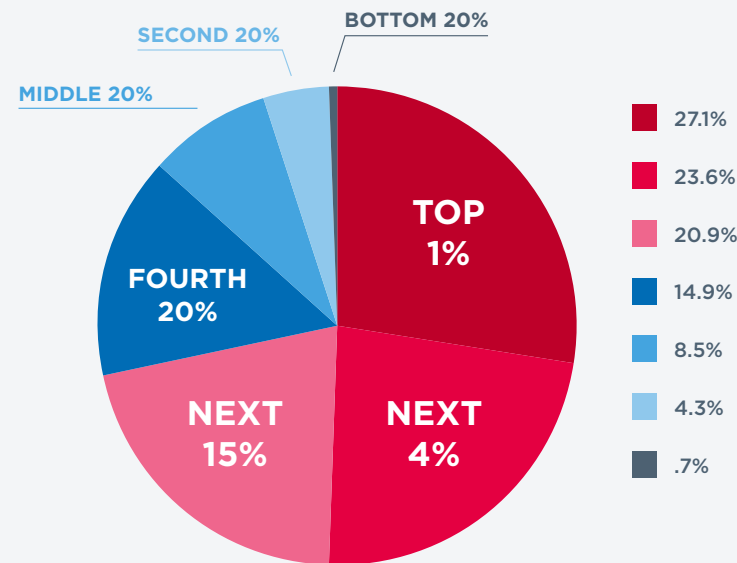
How did Trump do it? By favoring the types of income that the richest people earn: cutting corporate tax rates, doubling the estate tax exemption, and allowing deductions for pass-through income.

In other words, the Trump tax cuts skipped the middle class by design. Trump sold his tax cuts with promises that helping the rich would trickle down to middle-class families. It hasn't.

Trump promised his tax cuts would pay for themselves by generating massive economic growth. They haven't.

To pay for his tax cuts, Trump now wants to cut health care and Social Security by \$1.65 trillion.¹⁴

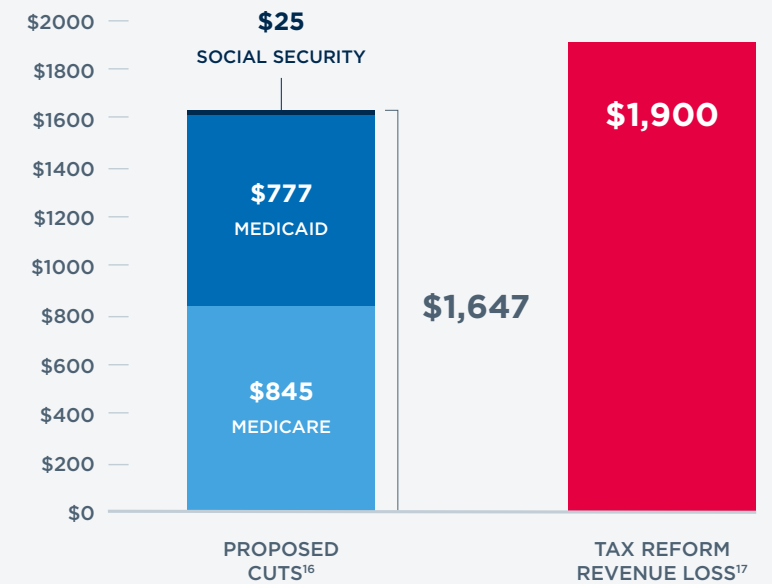
SHARE OF TRUMP TAX CUT BENEFIT (PERCENTAGE), 2020¹⁵



THE TOP 5% RECEIVES 50.7% OF THE TAX CUT'S BENEFITS

COMPARISON OF TRUMP'S PROPOSED CUTS TO HEALTH CARE AND SOCIAL SECURITY (2020-2029) WITH COST OF TRUMP TAX CUT (2018-2027)

(IN BILLIONS OF DOLLARS)



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Q4. SHOULD WASHINGTON DO MORE TO SAVE COAL?

NO. TAXPAYERS ALREADY SPEND BILLIONS OF DOLLARS EACH YEAR SUBSIDIZING COAL COMPANIES. AUTOMATION, SURFACE MINING, AND NATURAL GAS ARE THE REAL THREAT TO THE COAL INDUSTRY.

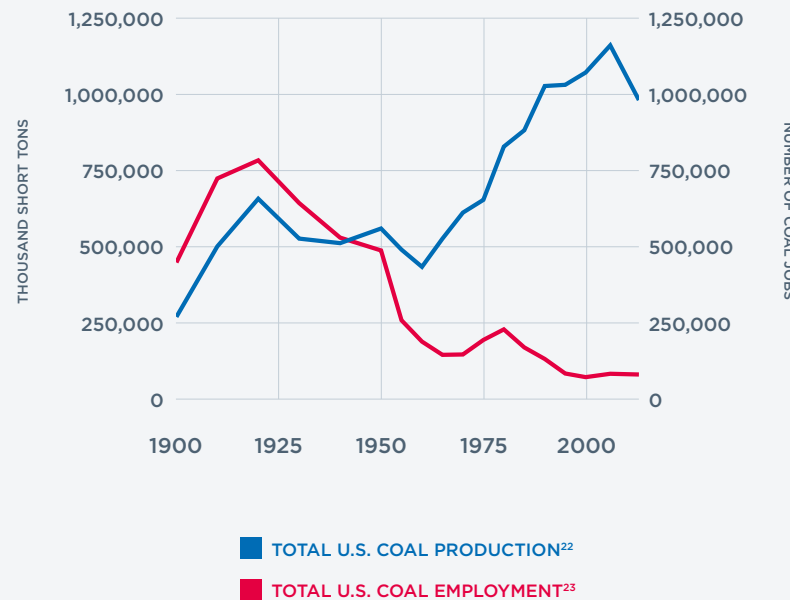
Taxpayers already spend \$4 billion per year protecting coal, or about \$75,000 for every coal job in the U.S.¹⁸ We're also covering costs coal companies should be paying: cleaning up 500,000 abandoned coal mines and providing \$15 billion in health care aid to injured miners whose employers abandoned them.^{19, 20}

Automation has been eliminating coal jobs since the '50s, just as it has been in many other industries. Surface mining started eliminating coal jobs in the '90s, because it's cheaper and requires fewer miners.

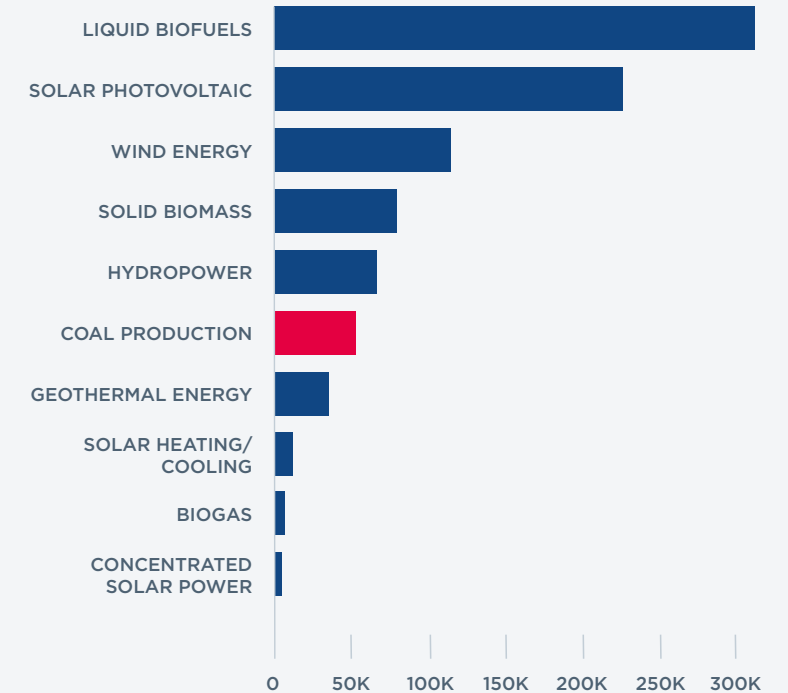
Natural gas started replacing coal about 10 years ago, because it's cheaper and cleaner, which means coal jobs in West Virginia are turning into gas jobs in Pennsylvania. For Iowa, Michigan, Ohio, and Wisconsin, switching from fossil fuels to renewables could generate \$58 billion in local investment and jobs.²¹

MORE TONS PER WORKER = FEWER COAL WORKERS

TOTAL U.S. COAL PRODUCTION AND TOTAL U.S. COAL EMPLOYMENT



FOR EVERY COAL JOB IN THE U.S., 16 RENEWABLE ENERGY JOBS²⁴



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Q5. CAN WE FIX CLIMATE CHANGE WITHOUT WRECKING OUR ECONOMY?

YES. SWITCHING TO RENEWABLE ENERGY COULD SAVE OUR ECONOMY.

Politicians who argue that switching to renewable energy will “wreck the economy” ignore how little manufacturers spend on electricity and how much they spend on their supply chains.

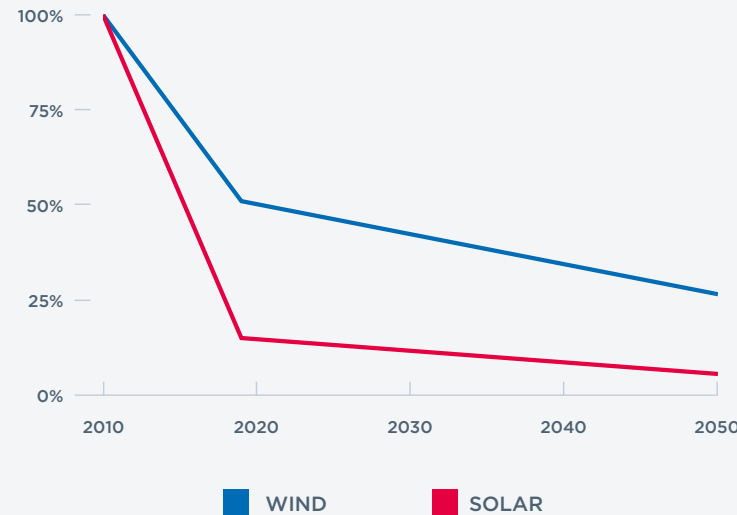
The global energy race is over: renewable energy won. Of every new energy dollar, 77 cents will go to wind, solar, or batteries — and renewables will produce two-thirds of the world’s power by 2050.²⁵

As renewable energy grows more efficient, the number of states that could profit from it grows. For Iowa, Michigan, Ohio, and Wisconsin, renewable energy represents a \$58 billion opportunity to “buy local.”²⁶

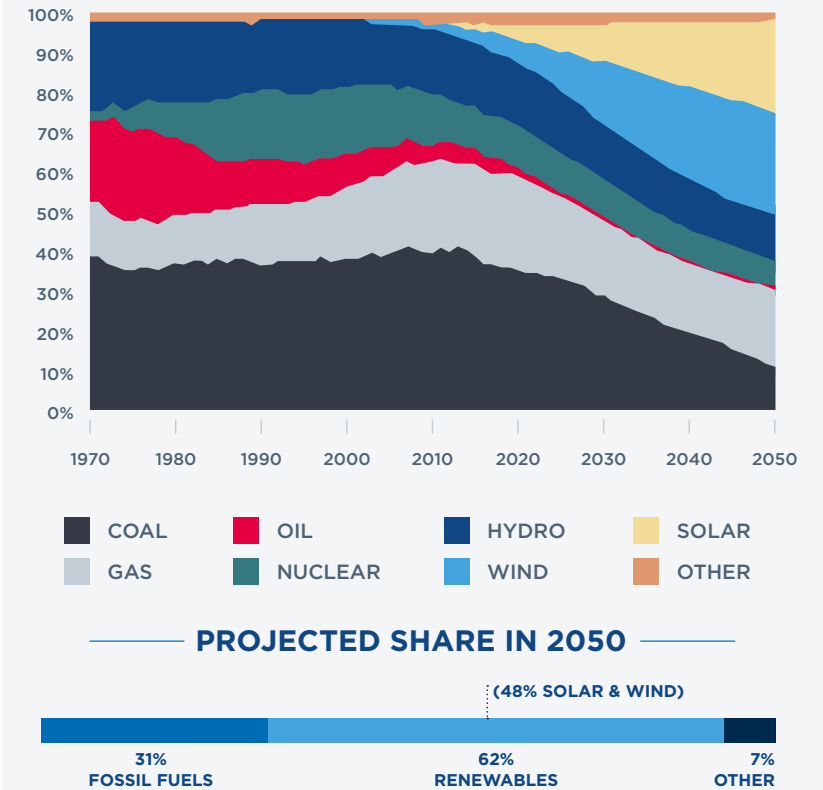
By protecting coal plants and cutting funding for solar and wind R&D, Trump’s fighting market forces beyond his control. The U.S. should be leading on energy. We are behind.

DECLINE IN RENEWABLE ENERGY PRICES

Between 2010 and 2019, wind and solar prices fell 49% and 85%, respectively. By 2050, they will fall another 48% and 63%.²⁷



MARKET SHARE WILL SHIFT DRAMATICALLY²⁸



SOURCE: Bloomberg New Energy Finance



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Q6. IS AMERICA BETTER OFF GOING IT ALONE?

NO. UNDER TRUMP, “AMERICA FIRST” MEANS “AMERICA ALONE,” WHICH IS BAD FOR BUSINESS.

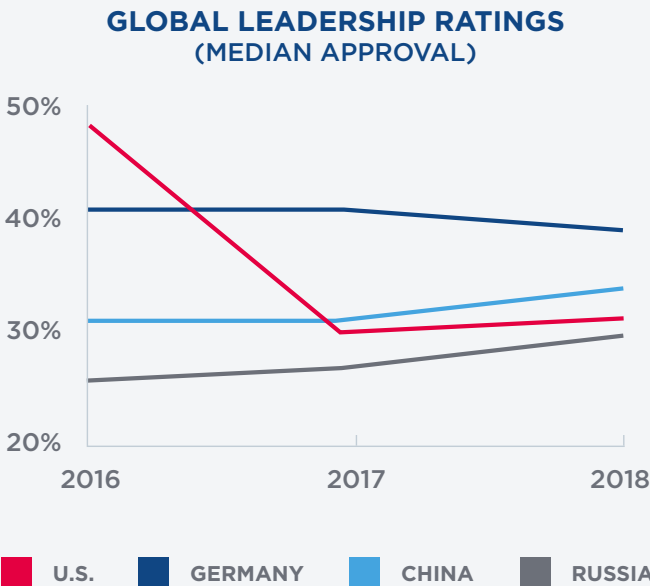
Of our potential customers, 96 percent live outside the U.S., and they are not amused by Trump’s rhetoric, his policies, or the erratic way he pursues them.²⁹ As respect for the U.S. has fallen, China and Russia have gained at our expense.

“America Alone” has cost the U.S. economy hundreds of billions of dollars in exports, \$191 billion in foreign direct investment, and \$59 billion in tourism exports — and put millions of jobs at risk.

Trump’s policies and rhetoric are particularly bad for America’s advanced industries, which rely heavily on exports and allies that respect our intellectual property. These industries matter, because they are growing twice as fast, pay twice as much, and employ lots of workers without college degrees.

AS THE U.S. TURNS AWAY FROM THE WORLD, RUSSIA AND CHINA GAIN³⁰

Approval of the U.S. as a world leader has dropped below the approval of China. Russia’s approval in the world’s view has risen to an equal level with the U.S.



SOURCE: GALLUP

WHILE TRUMP BURNS BRIDGES AND BUILDS A WALL, CHINA IS CONSTRUCTING ROADS AND LAYING 5G CABLE

China’s “Belt and Road Initiative” is spending ~\$150 billion per year in 68 countries representing two-thirds of the world’s population.³¹

China will spend \$1.2+ trillion over ten years on a vast network of railways, energy pipelines, ports, highways, 5G networks, border crossings, and 50 special economic zones.³²



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Q7. ARE WE WINNING THESE TRADE WARS?

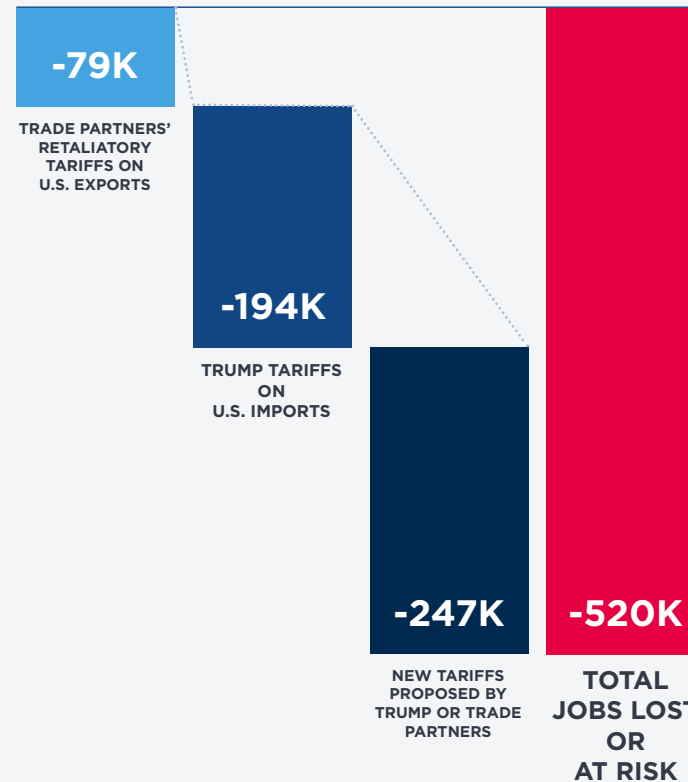
NO. TRADE WARS CAUSE HIGHER PRICES, LAYOFFS, LOST EXPORTS, AND SLOWER GROWTH. THIS ONE IS WORSE BECAUSE TRUMP IS BURNING OUR BIGGEST INDUSTRIES TO PROP UP SMALLER ONES.

Tariffs lead to higher prices, lower profits, layoffs, lost growth, and retaliation. We strike with tariffs on foreign washing machines and steel; our partners retaliate with tariffs on U.S. soybeans, cheese, whisky, wine, cars, trucks, and motorcycles. The collateral damage grows.

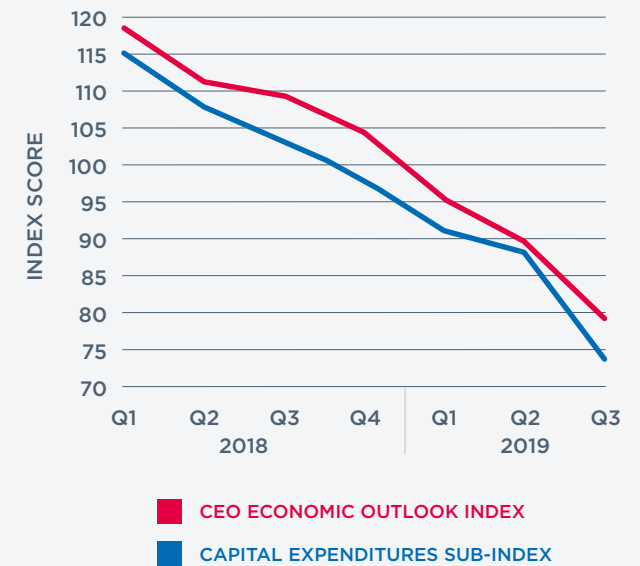
Trump's erratic, tweet-driven trade wars are discouraging business investment, which undermines America's competitiveness.

Even if we "win" these trade wars, we lose, because Trump's got this trade war backward. We escalate; they escalate; and consumers pay the price.

LOST OR AT-RISK JOBS DUE TO TARIFFS³³ (TAX FOUNDATION, AUGUST 2019)



BUSINESS ROUNDTABLE ECONOMIC OUTLOOK INDEX³⁴ (Q1 2018 - Q2 2019)



HOW CEOS DESCRIBE IMPACT OF NEW TRADE POLICY

- More than half reported a negative impact on sales.
- One-third reported a negative impact on hiring.
- Almost no CEOs reported a positive impact on their business.



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Q8. WHAT'S HOLDING OUR SMALL BUSINESSES BACK?

FINDING A FAIR LOAN AND MANAGING COLLEGE DEBT.

We're creating fewer new small businesses than we used to, and it's hurting wages, growth, and economic opportunity.

Small businesses operate more like families than big businesses. Roughly 23 million out of 32 million small businesses rely on the owner's personal funds to deal with financial challenges.

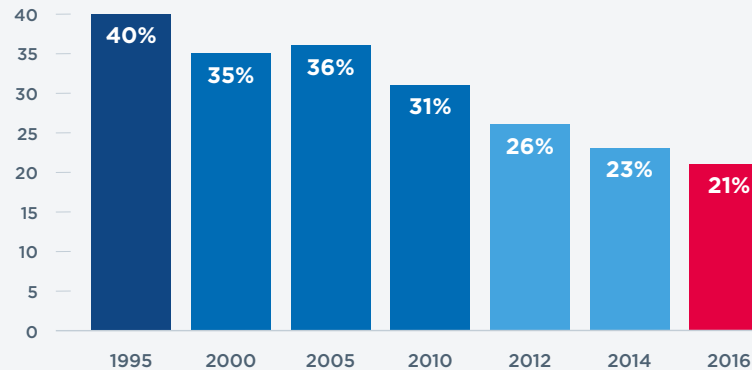
Millions of would-be entrepreneurs are also held back by college debt. The share of new small business owners between 20 and 34 has shrunk from 34% in 1996 to 24% in 2016.

As big banks cut back on small business lending, "fintech" companies are stepping in. Many offer fair loans; many do not. Trump has gutted the organizations that protect consumers and small businesses from predatory lenders.

BANKS AREN'T LENDING TO SMALL BUSINESSES LIKE THEY USED TO...

Of small businesses, 70 percent seek loans in amounts under \$250,000, and more than 60% seek loans under \$100,000. Bank-based commercial loans of \$1 million or less have fallen every year since 2008, even as loans for \$1+ million rebounded.³⁷

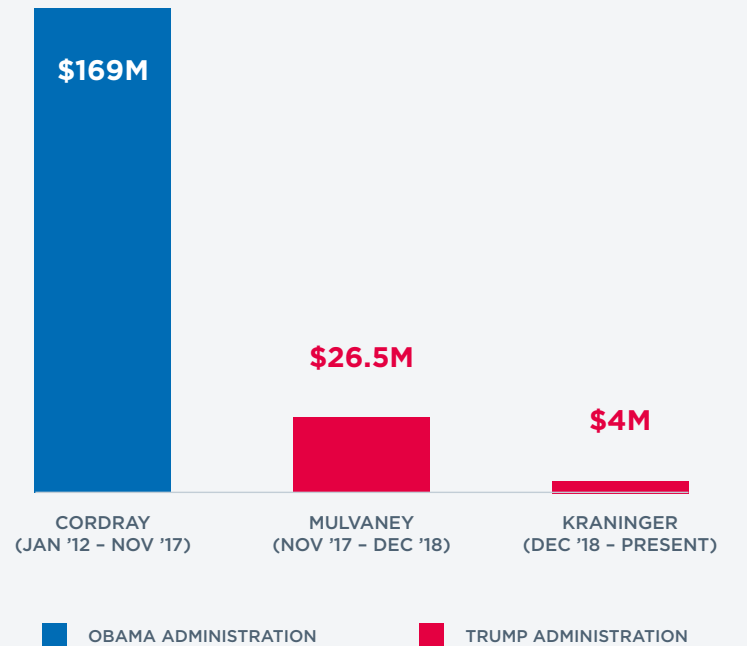
PERCENTAGE OF BANK LOANS TO SMALL BUSINESSES³⁸



80% OF SMALL BUSINESS OWNERS RELY ON PERSONAL FUNDS TO SOLVE FINANCIAL PROBLEMS³⁹

INSTEAD OF PROTECTING CONSUMERS, TRUMP'S CFPB HAS PROPPED UP PREDATORY LENDERS

\$ TOTAL CONSUMER RELIEF PER MONTH IN ALL PUBLIC CFPB ENFORCEMENT CASES⁴⁰



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Q9. WILL AUTOMATION TAKE OUR JOBS?

TAKE THEM? POSSIBLY. CHANGE THEM? ABSOLUTELY. AUTOMATION CREATES AND DESTROYS JOBS SIMULTANEOUSLY, CHANGING AMERICA'S "JOB MIX" AS IT GOES. WE CAN'T GO BACK. WE MUST RESKILL.

Trump has promised to bring manufacturing jobs "back," but most of the manufacturing jobs we lost didn't move overseas; they were automated.

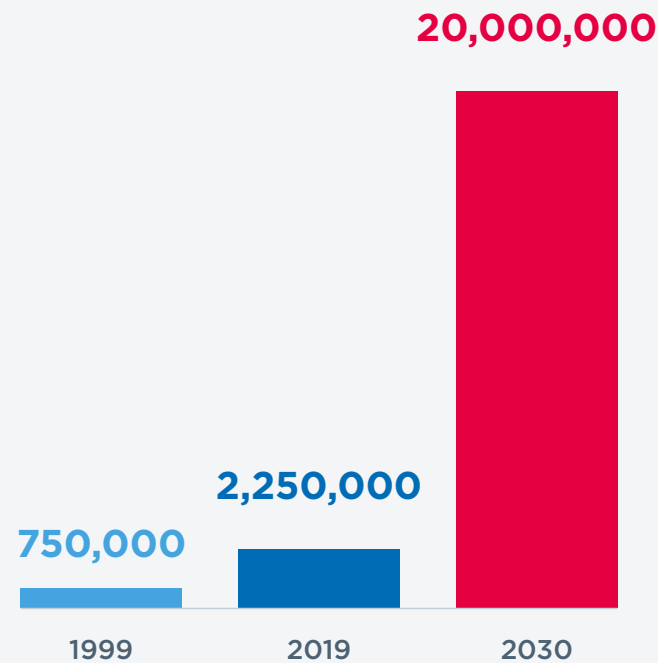
Automation creates and destroys jobs simultaneously, changing a market's "job mix" as it goes.

As jobs change, workers must adapt. By 2030, workplace demand will increase by 60% for technological skills, 40% for creativity, and 33% for entrepreneurship.⁴¹

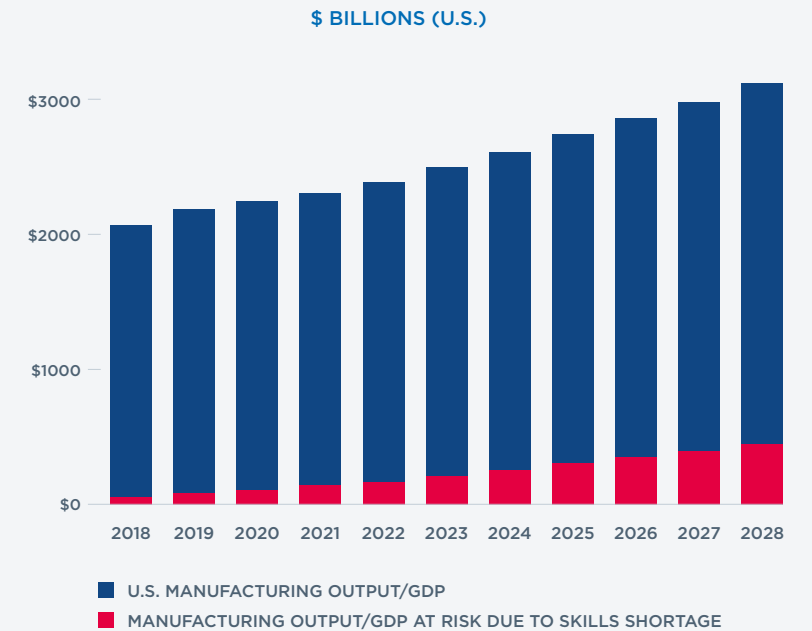
We can't go back. We must reskill. If we don't, we could leave 2.4 million skilled manufacturing positions unfilled, costing our economy \$2.5 trillion by 2028.⁴²

THERE ARE 3X MORE ROBOTS NOW THAN THERE WERE 20 YEARS AGO⁴³

There will be 9X more in 2030 than today.



IF WE CAN'T FILL THESE JOBS, OUR ECONOMY COULD LOSE \$2.5 TRILLION IN OUTPUT BY 2028⁴⁴



PERSISTENT SKILLS SHORTAGES COULD COST THE U.S. \$85 BILLION THIS YEAR, AND COULD RISK \$2.5 TRILLION IN ECONOMIC OUTPUT OVER THE NEXT DECADE



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Q10. WHAT IS ONE BIG THING WE CAN DO TO FIX OUR ECONOMY?

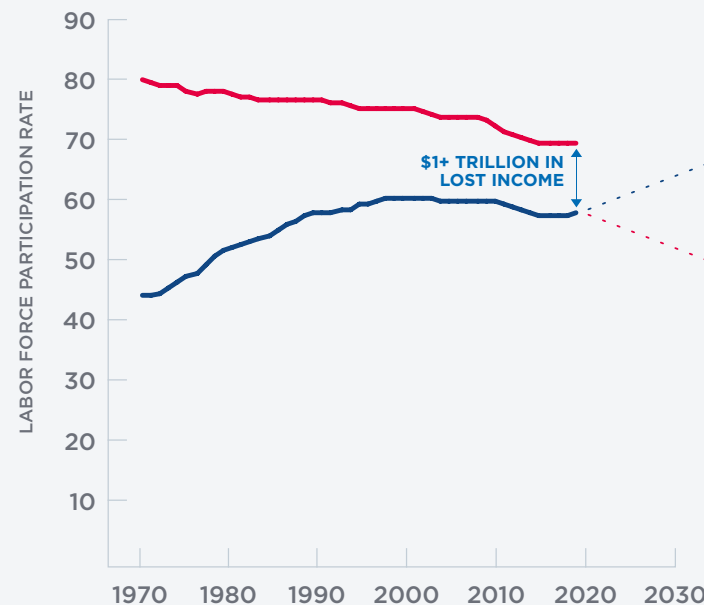
SUPPORT WORKING WOMEN.

Women are overrepresented in low-paying jobs, underrepresented in high-paying jobs, overworked at home, and undermined at the office. Today's gender gap equals \$1 trillion in lost income.⁴⁵

Family-friendly policies enjoy bipartisan support, but Trump has restricted reproductive health care and family planning services; proposed spending cuts for after-school programs, on-campus child care for students, and child care assistance for low-income working families; and opposed equal pay measures, overtime pay reform, and stronger sexual harassment laws.

Our competitors spend three times more supporting families — and it's boosting their economies. Once a leader, the U.S. now ranks 20th out of 22 advanced economies in prime-age female labor participation.⁴⁶

CLOSING THE GENDER GAP COULD GENERATE \$1 TRILLION



SUPPORT WORKING WOMEN

- OFFER MORE FAMILY PLANNING SUPPORT
- HELP WITH CHILD CARE, FAMILY LEAVE
- PROMOTE EQUAL PAY
- ADDRESS WORKPLACE HARASSMENT



Closing the labor force participation gap would increase our \$19.4 trillion/year economy by 5% (or \$970 billion/year).

UNDERMINE WORKING WOMEN

- RESTRICT FAMILY PLANNING
- IGNORE CHILD CARE, FAMILY LEAVE, EQUAL PAY, AND WORKPLACE HARASSMENT



Women remain overrepresented in low-paying jobs, underrepresented in high-paying jobs, and overworked at home. Our economy shrinks while our competitors' economies grow.



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ENDNOTES

1. Business Roundtable. "How the Future of American Immigration Can Impact the Economy." <https://www.businessroundtable.org/policy-perspectives/immigration/how-the-future-of-american-immigration-can-make-or-break-the-economy-2>
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QUESTION 1: IS AMERICA FULL?

ANSWER: NO.

**MOST COMMUNITIES ARE SHRINKING.
WE'RE GETTING OLDER. WE NEED IMMIGRANTS.**



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THE ARGUMENT

1

The U.S. has plenty of land, water, food, and energy.

2

America's problem is fewer babies, fewer workers, and migration from small towns to big cities.

3

Restrictive immigration policies, like those proposed by Trump, are bad for business, property values, pensions, and Social Security — and it is particularly bad in the Midwest.

4

Over ten years, restrictive immigration policies could cost \$1.5 trillion in economic growth and 15.3 million jobs.

5

Countries currently on the track Trump recommends are struggling, but U.S. cities that welcome immigrants are succeeding.

“

Our country is full.
Our area is full.
The sector is full...
Can't take you anymore.
I'm sorry, turn around,
that's the way it is.¹

”

- PRESIDENT DONALD TRUMP



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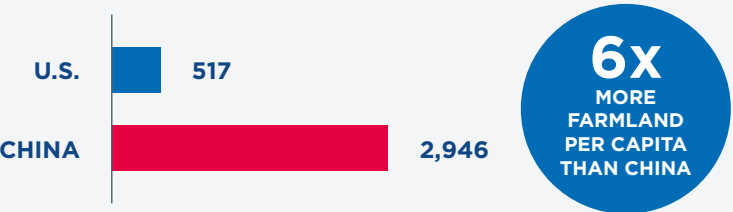
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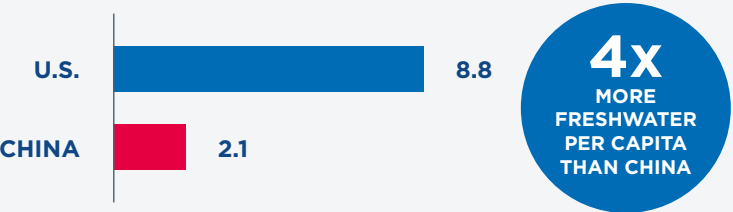
THE U.S. HAS PLENTY OF LAND, WATER, FOOD, AND ENERGY FOR MILLIONS OF NEW AMERICANS

FARMABLE LAND & FRESHWATER

PEOPLE PER SQUARE MILE OF FARMABLE LAND²



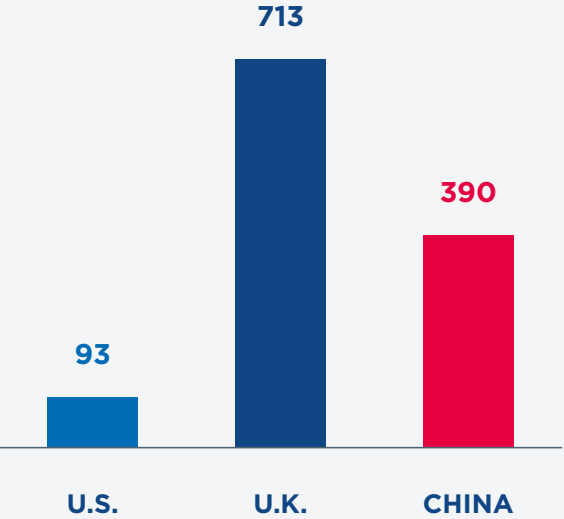
RENEWABLE INTERNAL FRESHWATER, PER CAPITA, IN THOUSANDS OF CUBIC METERS³



POPULATION DENSITY

In 2018, the UN reported that the U.S. had seven times fewer people per square mile than the UK and four times fewer than China.

PEOPLE PER SQUARE MILE⁴

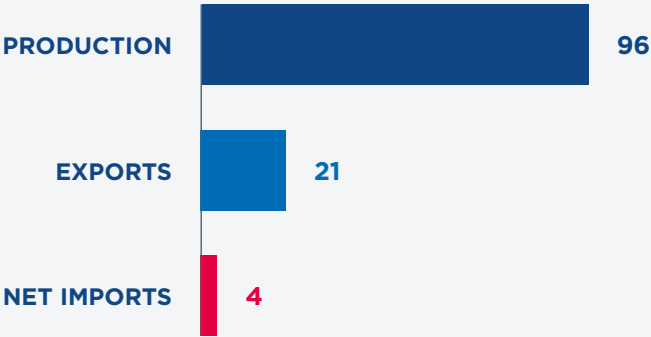


U.S. FOOD PRODUCTION

THE U.S. EXPORTED **\$140 BILLION** IN AGRICULTURAL PRODUCTS PER YEAR.⁵

U.S. ENERGY PRODUCTION

QUADRILLION BTUS, 2018⁶



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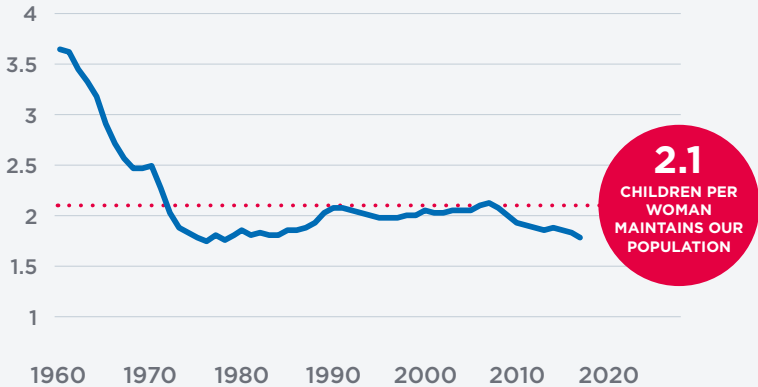
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OUR REAL PROBLEM: FEWER BABIES, FEWER WORKERS, AND MIGRATION FROM SMALLER CITIES TO BIGGER ONES

AMERICANS ARE HAVING FEWER KIDS

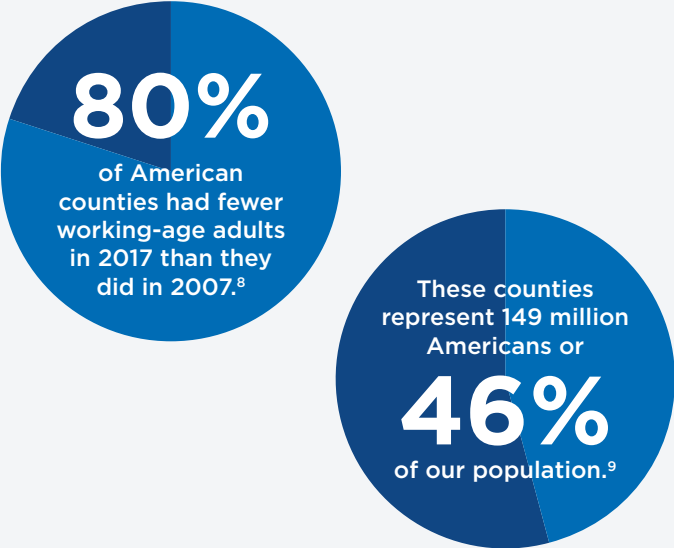
U.S. fertility is at a record low. To maintain our population, each woman must have 2.1 children on average; today, they are having 1.8. Without immigration, the U.S. population will shrink. Economists predict our birth rate could fall to 1.5 or 1.4 children per woman.⁷

U.S. FERTILITY RATE



AND THEY ARE MOVING TO LARGE CITIES

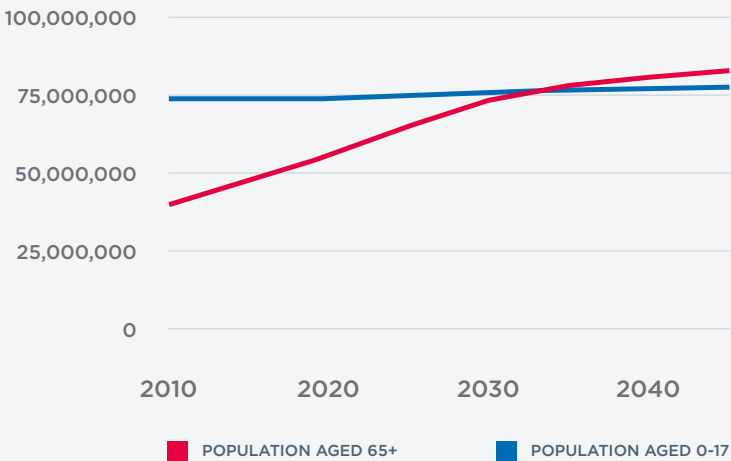
“Superstar” cities such as New York City, Los Angeles, and San Francisco have attracted highly skilled workers to knowledge industries.



BY 2035, SENIORS WILL OUTNUMBER MINORS IN THE U.S.

The number of seniors in the U.S. is on track to double by 2060. To maintain a substantial labor force, the U.S. needs more babies and immigrants.¹⁰

U.S. POPULATION AGED 0-17 & AGED 65+



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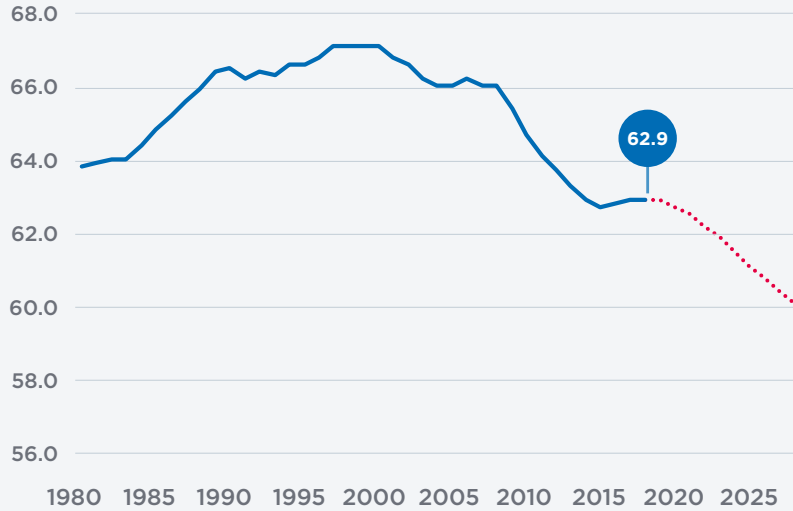
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SLOWING LABOR GROWTH IS BAD FOR BUSINESS AND WORSE FOR SOCIAL SECURITY

DECLINING LABOR FORCE PARTICIPATION = LESS ECONOMIC GROWTH

In 2018, the Congressional Budget Office reported that the labor force participation rate would decrease over the next ten years as a result of baby boomers aging into retirement.

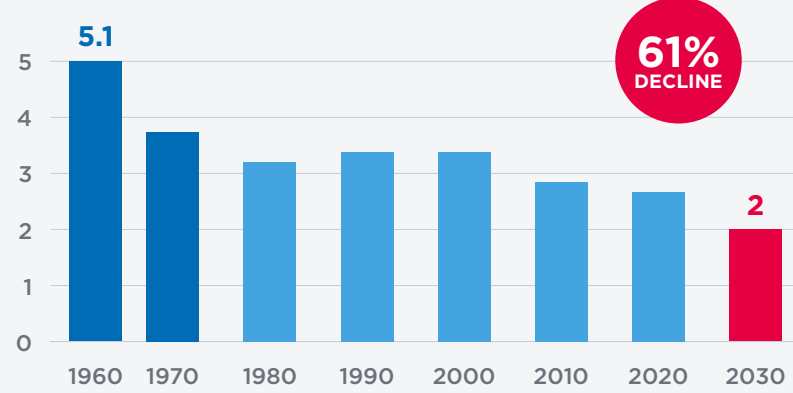
HISTORICAL AND PROJECTED LABOR FORCE PARTICIPATION RATE¹¹



DEPLETING SOCIAL SECURITY AND OTHER PENSIONS

The ratio of contributing workers to Social Security beneficiaries has dropped drastically since 1960.¹²

NUMBER OF WORKERS SUPPORTING EACH SOCIAL SECURITY RETIREE



THE SOCIAL SECURITY TRUST FUND WILL RUN OUT OF MONEY BY 2033.

“ Persistently low U.S. labor force participation will likely be a drag on the economy for at least the next decade... Given this trend, S&P Global Ratings has lowered its estimate for long-term growth in the world’s biggest economy to just 1.8% — a full percentage point below the roughly 2.8% we expected for potential growth just 10 years ago.¹³ ”

- BETH ANN BOVINO
S&P GLOBAL



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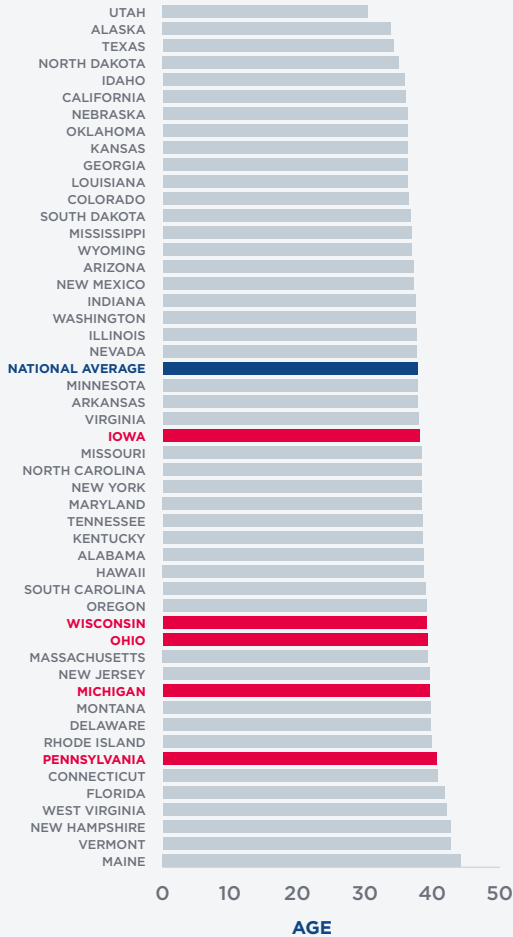
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MIDWEST STATES ARE AGING FASTER

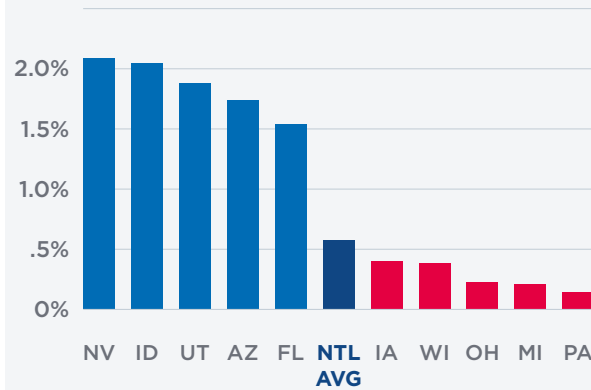
MIDWESTERN STATES ARE ALREADY OLD...

MEDIAN AGE RANKINGS¹⁴



THEY'RE AGING FASTER...

POPULATION GROWTH (2017 TO 2018, BY STATE)¹⁵

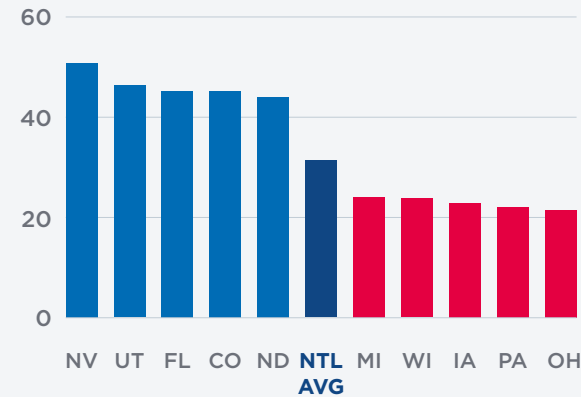


#26 IOWA
#27 WISCONSIN
#37 OHIO
#38 MICHIGAN
#39 PENNSYLVANIA

WHICH SLOWS BUSINESS FORMATION AND JOB GROWTH...

BUSINESS DYNAMISM RANKINGS, ECONOMIC INNOVATION GROUP (EIG)¹⁶

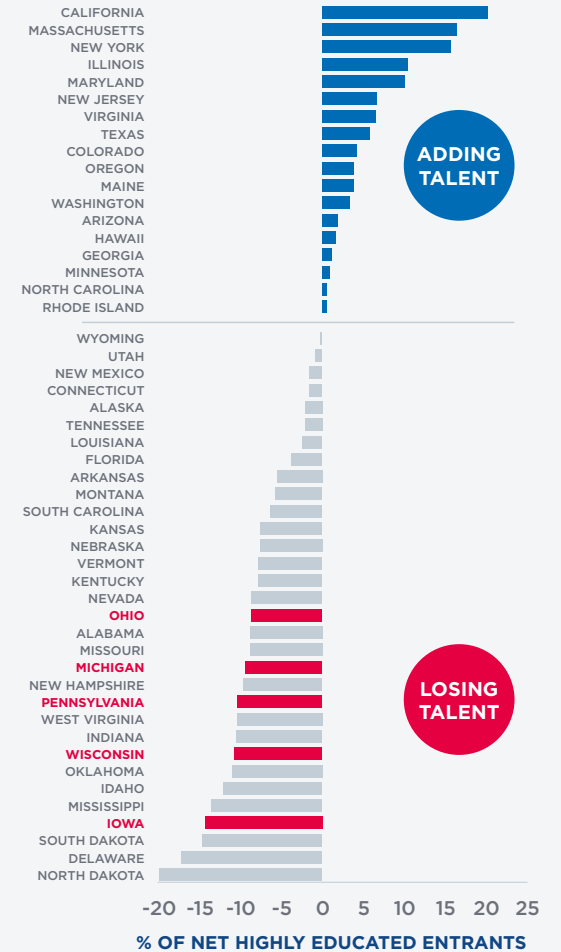
EIG's ranking reflects the rate of new business formation, frequency of labor market turnover, and the geographic mobility of the workforce.



#43 MICHIGAN
#44 WISCONSIN
#46 IOWA
#48 PENNSYLVANIA
#50 OHIO

AND PUSHES HIGHLY EDUCATED PEOPLE TO LEAVE.

BRAIN DRAIN¹⁷



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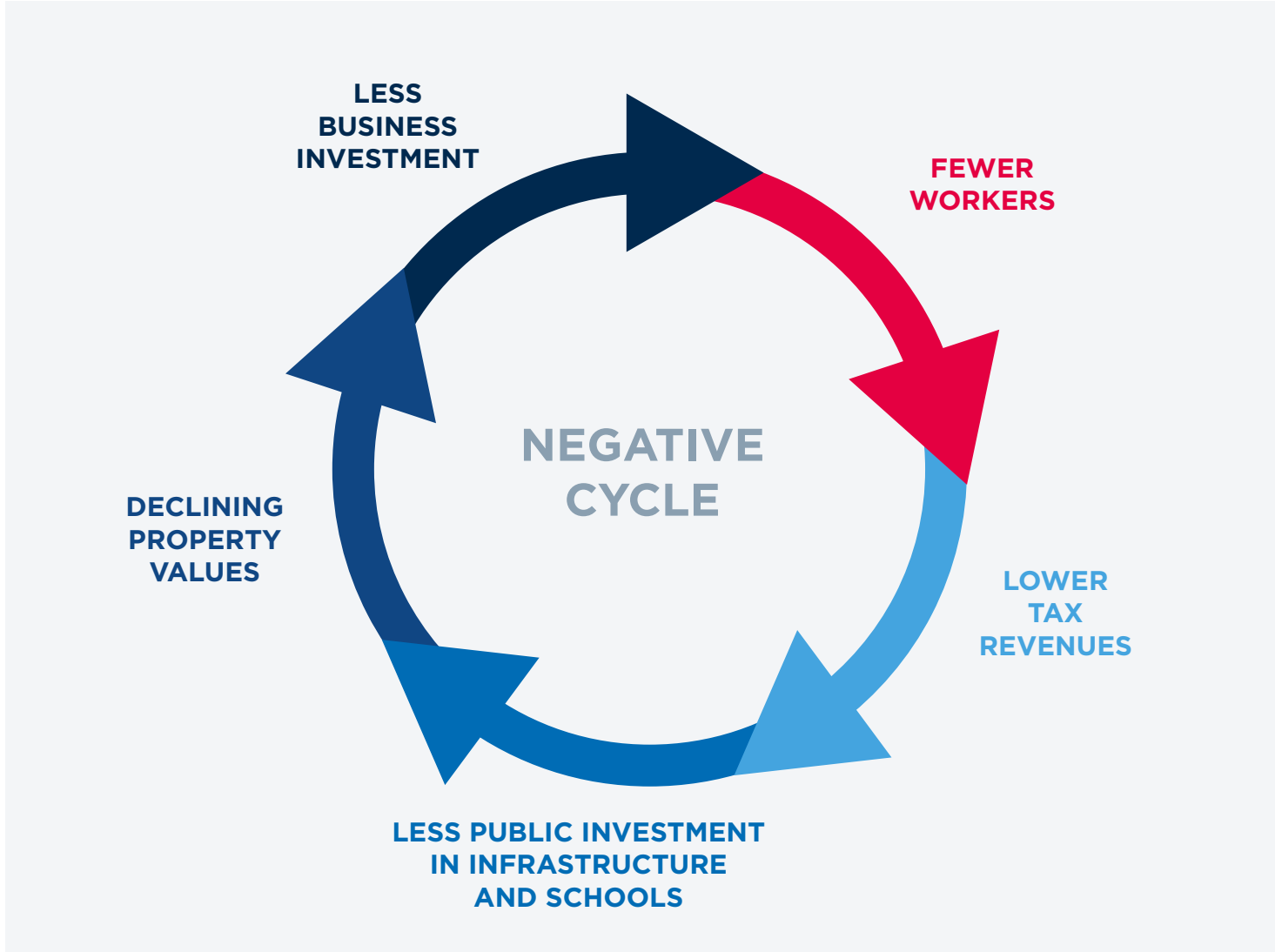
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WHEN A COMMUNITY AGES AND SHRINKS, IT CREATES A NEGATIVE CYCLE THAT'S HARD TO BREAK



“ While an older population is great for health care and related retirement-based businesses, it is not one that will drive entrepreneurship and associated business growth.¹⁸ ”

- KURT METZGER
MAYOR OF PLEASANT RIDGE, MI

“ Population loss itself perpetuates economic decline. Its deleterious effects on housing markets, local government finances, productivity, and dynamism make it harder for communities to bounce back. For example, this analysis found that a 1 percentage point decline in a county’s population growth rate is associated with a 2-3 percentage point decline in its startup rate over the past decade.¹⁹ ”

- THE ECONOMIC INNOVATION GROUP

IMMIGRANTS CAN BREAK THE NEGATIVE CYCLE

A CONSERVATIVE IMMIGRATION PLAN WOULD GROW THE U.S. ECONOMY²⁰

Immigrants could increase U.S. GDP by



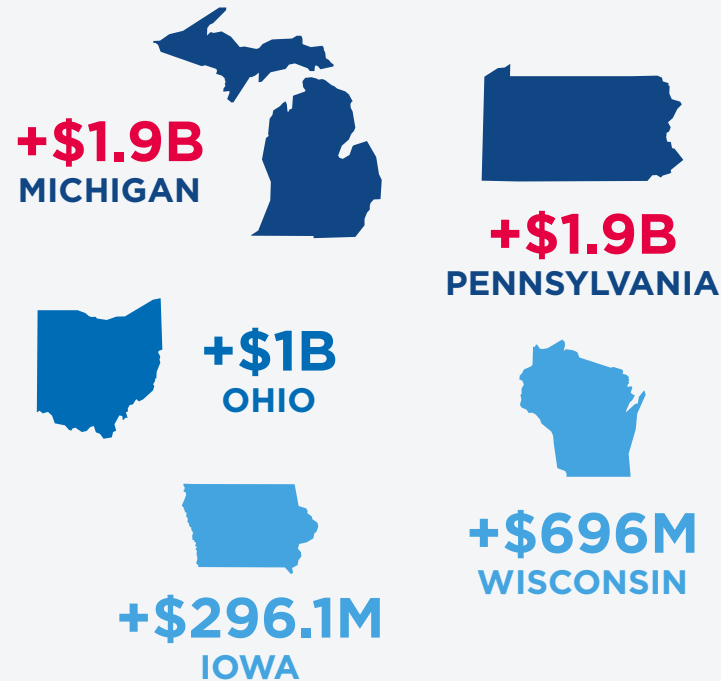
and create 8.4 million new jobs.

Immigrants could increase GDP across these five states by



and create 822,000 new jobs.

RECENT IMMIGRANTS ALREADY CONTRIBUTE \$5.8 BILLION TO THESE FIVE STATES EACH YEAR²¹



Household income and tax contributions, less the cost of services like schools, police protection, and health care.

IMMIGRANTS START NEW BUSINESSES²²

New jobs come from new businesses, but business creation in the Midwest is down. Immigrants are an exception.

MORE THAN
120,000
IMMIGRANT
ENTREPRENEURS
across these five states
HAVE CREATED
560,000
NEW JOBS

Immigrants across the five states are both more likely to have a degree in higher education and more likely to be of working age.



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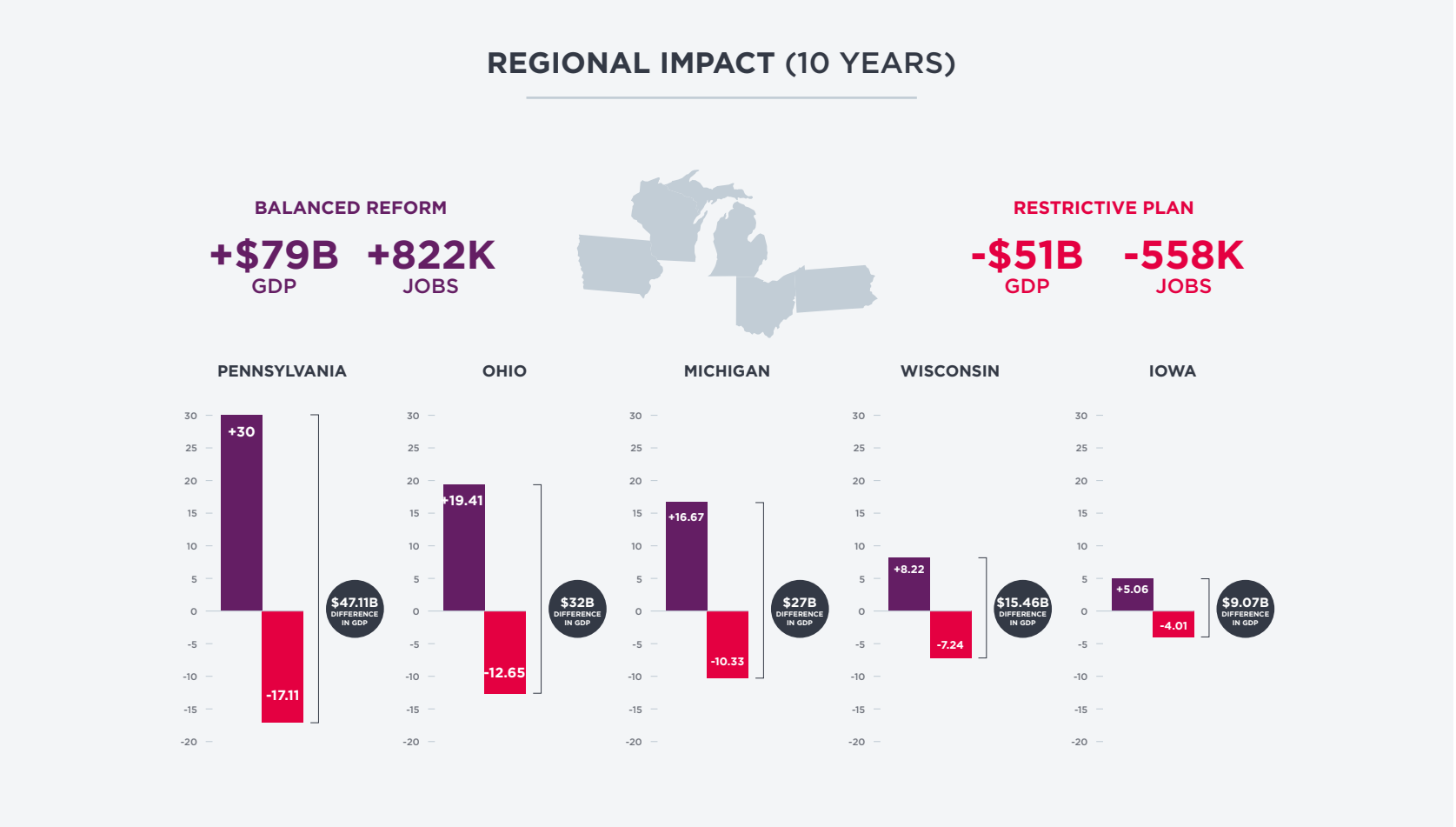
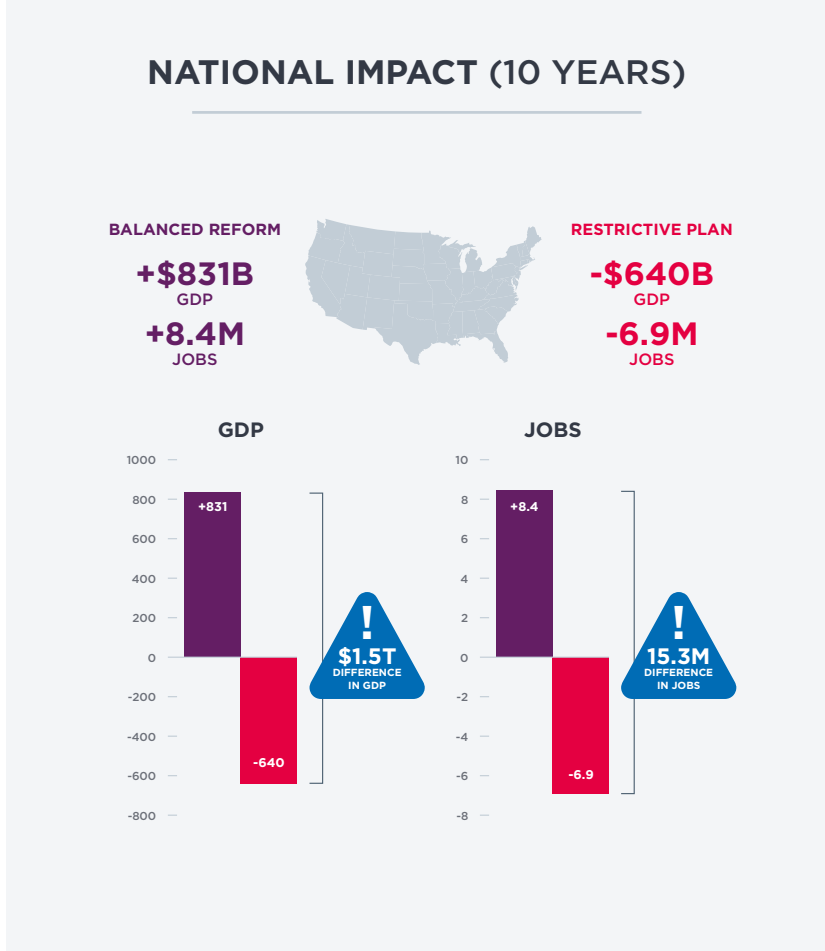
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TO APPRECIATE HOW RADICAL TRUMP'S POLICIES ARE, COMPARE THEM TO WHAT MODERATE REPUBLICANS PROPOSE

The Business Roundtable is a nonpartisan national trade group that generally supports conservative policies. It has proposed a balanced immigration plan that will help grow our population and workforce, in sharp contrast to “restrictive” policies that would reduce our workforce and GDP. Trump’s proposals, if enacted, would reduce our GDP far more than these “restrictive” policies.²³



COUNTRIES CURRENTLY ON THE TRACK TRUMP RECOMMENDS ARE STRUGGLING

ITALY



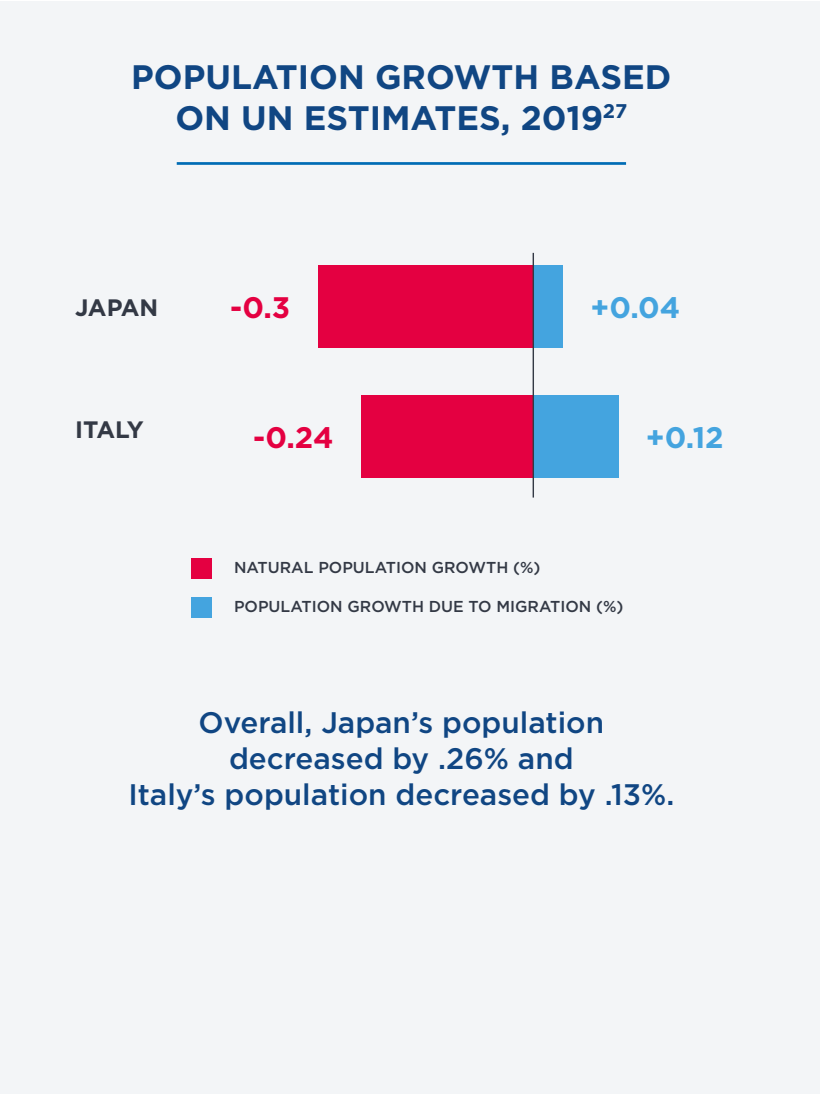
The OECD predicts that Italy's public debt-to-GDP ratio will rise from 133% to 144% by 2030 due to slow growth, low inflation, and rising interest costs. Italy also has a rapidly aging population, which will require more government spending and affect economic output.²⁴

JAPAN



The IMF reported that Japan's aging population could decrease GDP growth by one percentage point over the next three decades. By 2040, experts predict that one in three Japanese people will be over the age of 65. This would be the highest proportion in the world.²⁵

The Economic Innovation Group found that 41% of U.S. counties experienced rates of total population and working age population loss as bad or worse than Japan from 2007 to 2017.²⁶



WELL-RUN STATES AND CITIES ARE WELCOMING IMMIGRANTS

Launched in 2009, **Welcoming America** supports communities by creating a network of governments, organizations, and individuals and providing them with the tools and resources they need to support immigrants. There are 111 local governments participating nationwide. Welcoming Economies Global Network is a regional network of organizations across the Midwest.²⁸



“ Attracting more foreign-born people to live, work and invest here makes the region more competitive. And it draws new sources of capital, innovation, productivity and excitement.²⁹ ”

- JOHN CRANLEY
MAYOR OF CINCINNATI

“ One of the key solutions is to welcome immigrants into these communities.³¹ ”

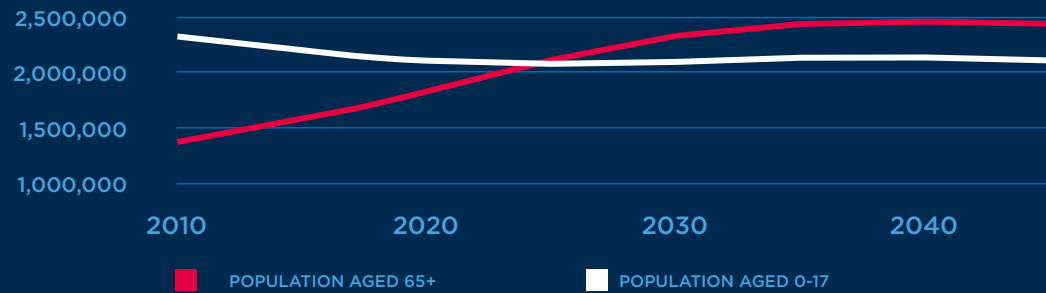
- BROOKS RAINWATER
DIRECTOR, NATIONAL LEAGUE OF CITIES' CENTER

“ The city would be prepared to welcome these immigrants just as we have embraced our immigrant communities for decades.³⁰ ”

- JIM KENNEY
MAYOR OF PHILADELPHIA

CASE STUDY: MICHIGAN

MICHIGAN POPULATION AGED 0-17 & AGED 65+³²



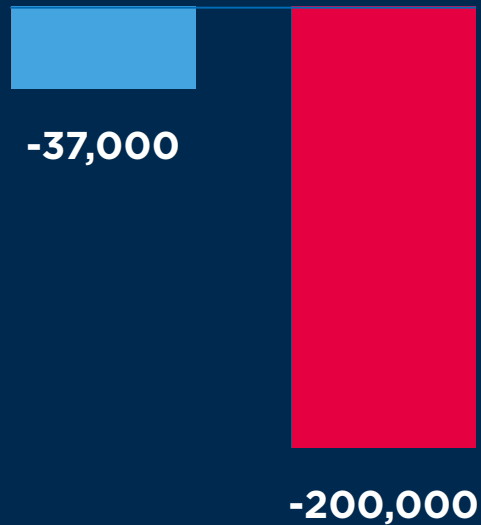
SENIORS ARE GOING TO OUTNUMBER MINORS BY 2025

TEN YEARS BEFORE THE NATIONAL AVERAGE

IMMIGRATION = DIFFERENCE BETWEEN MODEST AND SERIOUS POPULATION DECLINE

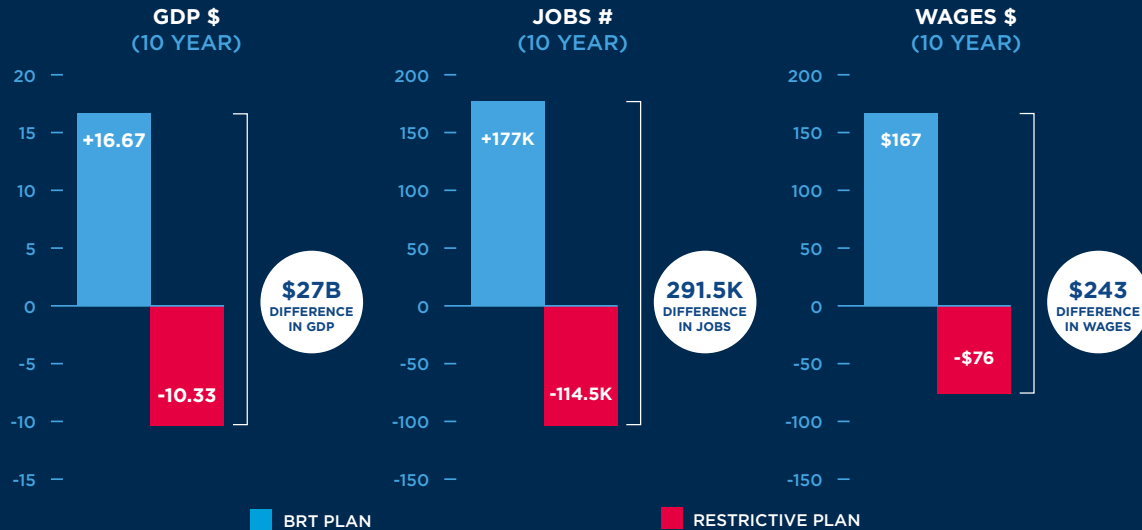
Between 2018 and 2025, Michigan will depend on 163,000 immigrants to prevent harmful population and workforce declines.³⁵

WITH IMMIGRATION WITHOUT IMMIGRATION



ECONOMIC IMPACT OF IMMIGRATION³³

BUSINESS ROUNDTABLE DATA



50+ MEDIAN AGE IN 21/83 COUNTIES

THE HIGHEST IN THE U.S.³⁴



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ENDNOTES

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QUESTION 2: DO WE NEED TO BUILD A WALL?

ANSWER: NO.

THERE ARE BETTER, CHEAPER WAYS TO PROTECT THE BORDER. TRUMP SHOULD PAY LESS ATTENTION TO HIS WALL AND START FIXING THE BRIDGES, LEVEES, ROADS, AND RAILWAYS AMERICAN BUSINESSES NEED.



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THE ARGUMENT

1 Trump's wall, which engineers price at \$31 billion, won't work as promised because most drugs and criminals cross our borders through ports, over roads, or by air.

2 Trump's brinkmanship over a wall has derailed bipartisan deals on infrastructure.

3 U.S. infrastructure earns a D+. In key sectors, Midwest states score even worse. Yet, we consistently invest far less than our global competitors.

4 Trump's infrastructure proposal falls far short of the investment needed. With Trump AWOL on infrastructure, mayors and governors are left without a partner or a national plan.

“

On Day One, we will begin working on intangible [*sic*], physical, tall, power, beautiful southern border wall.¹

”

- PRESIDENT DONALD TRUMP



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TRUMP'S WALL WON'T ACHIEVE WHAT HE PROMISES, COSTS 30X MORE THAN REPUBLICAN PROPOSALS THAT COULD

A WALL WON'T WORK

We have already installed walls where they are likely to work. Trump wants to spend \$31 billion to put them where they won't.²

One-third of our border with Mexico (654 miles of the 1,991 miles) had some kind of fabricated barrier when Trump took office.³

Nearly all the rest is mountains, desert, or river, which makes crossing difficult. Most of it is also private land, which means the USG will have to seize land for the wall.

Most drugs and undocumented immigrants cross our borders over roads, through ports, or by plane — not across the desert

THERE ARE BETTER WAYS TO PROTECT THE BORDER

ALTERNATIVE \$1B "SMART" PLAN PROPOSED BY REPUBLICAN CONGRESSMAN FROM TEXAS (AND FORMER CIA AGENT)

"We need a smart wall that uses high-tech resources like sensors, radar, lidar, fiber optics, drones and cameras to detect and then track incursions across our border so we can deploy efficiently our most important resource, the men and women of border patrol to perform the most difficult task — interdiction. With a smart wall, we can have a more secure border at a fraction of the cost — that can be implemented and fully operational within a year."⁴

- Will Hurd

EVERY CONGRESSPERSON ALONG SOUTHERN BORDER OPPOSES BORDER WALL FUNDING.⁵

 CBS NEWS

"I think building a concrete structure sea to shining sea is the most expensive and least effective way to do border security."

- REP WILL HURD (R-TX, FORMER CIA AGENT) REPRESENTS TEXAS' 23RD CONGRESSIONAL DISTRICT, WHICH STRETCHES ROUGHLY 820 MILES OF THE BORDER



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TRUMP HAS DERAILED BIPARTISAN INFRASTRUCTURE PROPOSALS OVER HIS WALL

TRUMP IS DISTRACTED BY HIS WALL

DONALD TRUMP TWEETS⁷

334

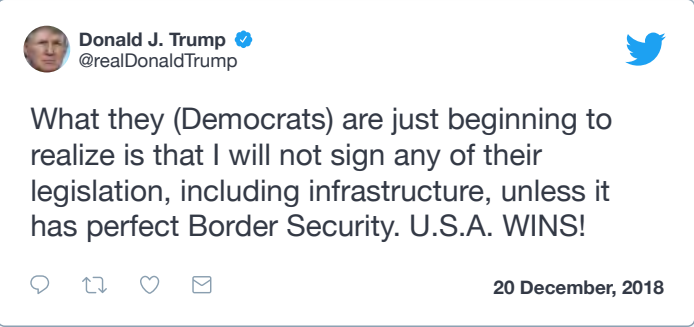
ABOUT "THE WALL"

146

ABOUT BORDER SECURITY

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ABOUT INFRASTRUCTURE



Donald J. Trump @realDonaldTrump

What they (Democrats) are just beginning to realize is that I will not sign any of their legislation, including infrastructure, unless it has perfect Border Security. U.S.A. WINS!

20 December, 2018

HE WILL DO ANYTHING TO FUND IT

TRUMP'S 2018-19 SHUTDOWN COST THE ECONOMY \$11 BILLION⁸

"TRUMP AGAIN THREATENS TO SHUT DOWN GOVERNMENT"⁹

JULY 29, 2018

THE WALL STREET JOURNAL.

" 'I WILL SHUT DOWN THE GOVERNMENT' TRUMP MAKES THREAT OVER BORDER WALL FUNDING"¹⁰

DECEMBER 11, 2018

TIME

"TRUMP INSISTS HE CAN USE MILITARY FUNDS AND 'DECLARE AN EMERGENCY' TO BUILD BORDER WALL"¹¹

JANUARY 7, 2019

MilitaryTimes

IT'S BEEN 2.5 YEARS AND HE STILL HAS NO COMPREHENSIVE INFRASTRUCTURE PROPOSAL

Despite having Republican control over the House and the Senate for his first two years in office, Trump failed to introduce a comprehensive infrastructure bill — or explain how he would pay for it.

In May 2019, he refused to submit an infrastructure bill until Congress passed his USMCA trade deal.¹²

The problem? He has not submitted the trade deal to Congress.



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ONCE A GLOBAL LEADER ON INFRASTRUCTURE, AMERICA NOW FAILS TO INVEST AND INNOVATE

TRADITIONAL INFRASTRUCTURE SCORE:¹³



D+

AVIATION: D
BRIDGES: C+
DAMS: D
DRINKING WATER: D
ENERGY: D+
HAZARDOUS WASTE: D+
INLAND WATERWAYS: D
LEVEES: D

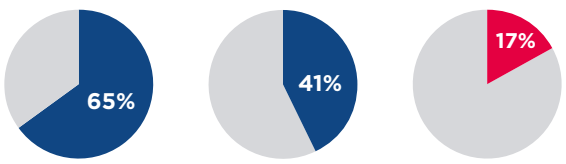
PORTS: C+
RAIL: B
PARKS AND REC: D+
ROADS: D
SCHOOLS: D+
SOLID WASTE: C+
TRANSIT: D-
WASTEWATER: D+

A - EXCEPTIONAL
B - GOOD C - MEDIOCRE
D - POOR F - FAILING

SOURCE: AMERICAN SOCIETY OF CIVIL ENGINEERS

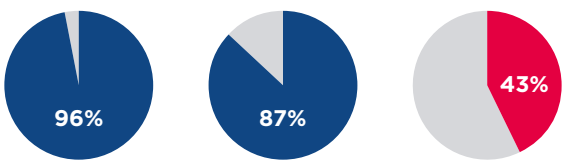
TECHNOLOGICAL INFRASTRUCTURE SCORE "INCOMPLETE"

ELECTRICAL GRID RENEWABLE CAPACITY (2017-2019)



GERMANY¹⁴ U.K.¹⁵ U.S.¹⁶

PREDICTED ELECTRICAL GRID RENEWABLE CAPACITY (2050)¹⁷



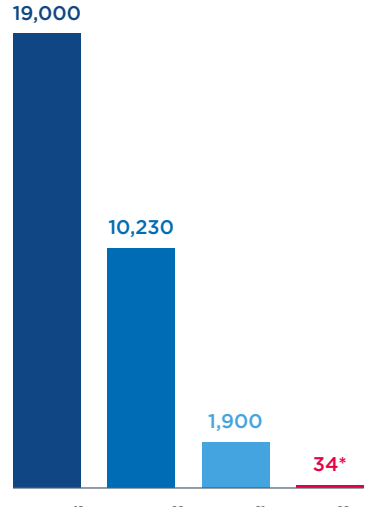
GERMANY U.K. U.S.

BROADBAND ACCESS

163M
(APPROXIMATELY HALF OF THE U.S. POPULATION)

AMERICANS ACCESS THE INTERNET AT SPEEDS SLOWER THAN BROADBAND SPEED, INCLUDING 24 MILLION IN MI, OH, IA, PA, AND WI.¹⁸

MILES OF HIGH-SPEED RAIL



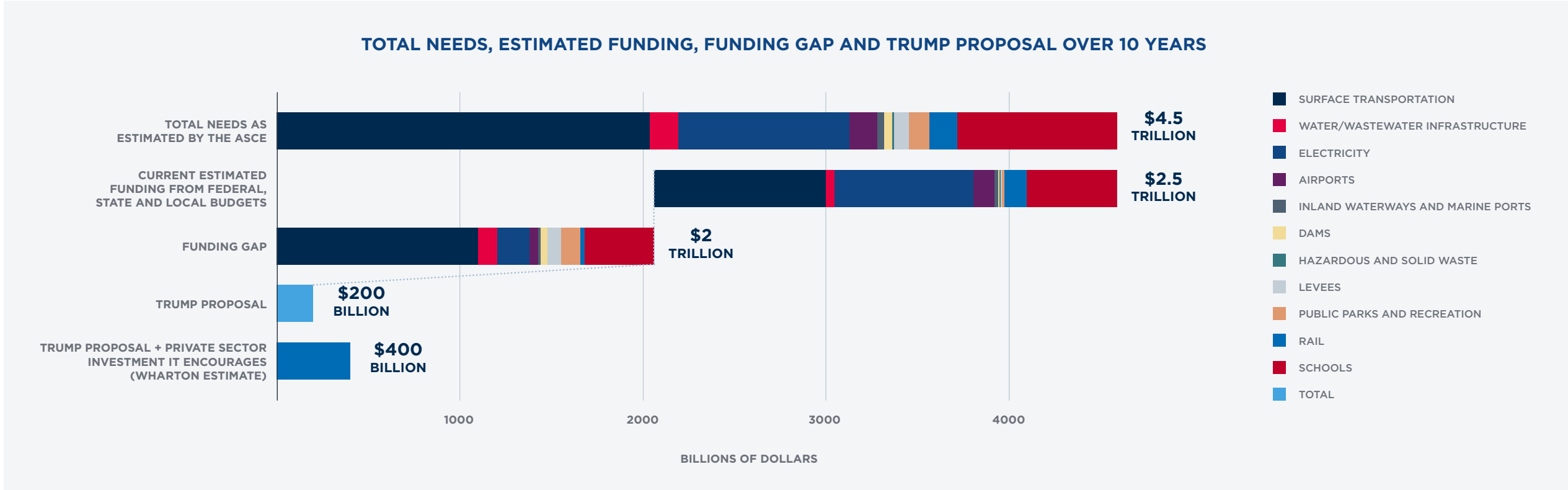
CHINA¹⁹ EUROPE²⁰ JAPAN²¹ U.S.²²

*JAPAN'S HIGH-SPEED RAIL REACHES 200 MPH. AMERICA'S 34 MILES OF SEMI-HIGH-SPEED RAIL REACHES 150 MPH.

TRUMP'S DRAFT INFRASTRUCTURE PROPOSAL WOULD INVEST ONLY \$20 BILLION/YEAR IN INFRASTRUCTURE, NATIONWIDE

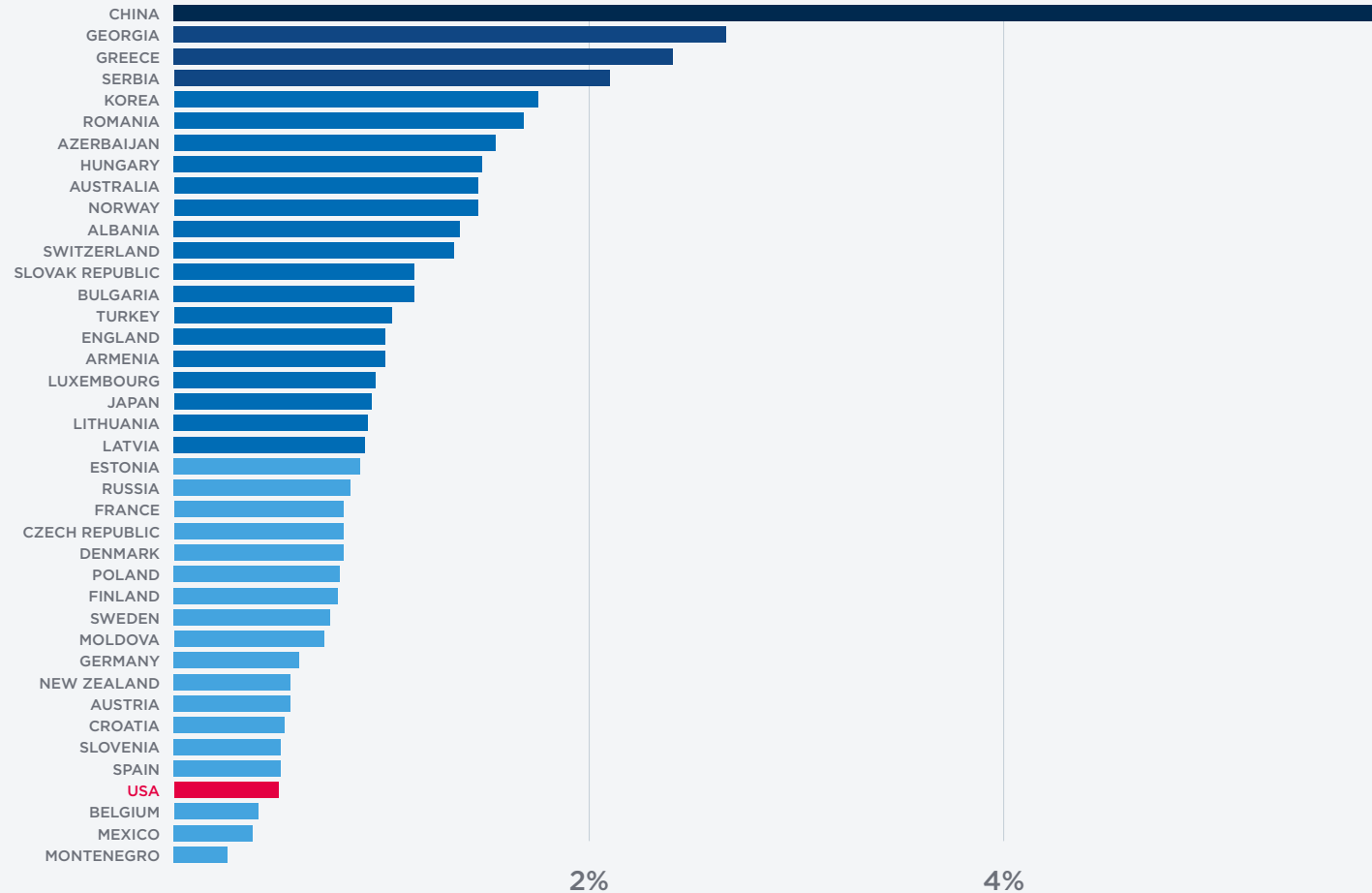
According to the American Society of Civil Engineers, the U.S. must spend \$4.5 trillion by 2025 to fix our roads, bridges, dams, broadband, and other infrastructure. Current federal, state, and local budgets cover about \$2.5 trillion of that amount, creating a \$2 trillion shortfall.²³ The longer we delay these repairs and investment, the higher costs grow and the larger the shortfall becomes. As a candidate, Trump promised \$1 trillion to reconstruct the nation's roadways, waterworks, and bridges.²⁴ In 2018, he outlined a plan (but did not submit a bill) with only \$200 billion spread over 10 years (2019-2028).²⁵

Trump claims his \$200 billion will encourage local governments and the private sector to invest another \$1.5 trillion, but Penn's Wharton School (Trump's alma mater) calculates his \$200 billion investment is unlikely to encourage more than \$200 billion in new investment.²⁶



WHILE WASHINGTON GRIDLOCKS OVER TRUMP'S WALL, OUR COMPETITORS ARE INVESTING

PERCENT OF GDP SPENT ON ALL INLAND INFRASTRUCTURE BY COUNTRY²⁷



CHINA

China invests nearly 12x more than the U.S. in infrastructure.

While infrastructure in the U.S. crumbles, China is implementing its Belt and Road Initiative, a massive infrastructure investment of roughly \$150B per year in 68 countries along the old Silk Road, linking it with Europe and the Middle East.²⁸



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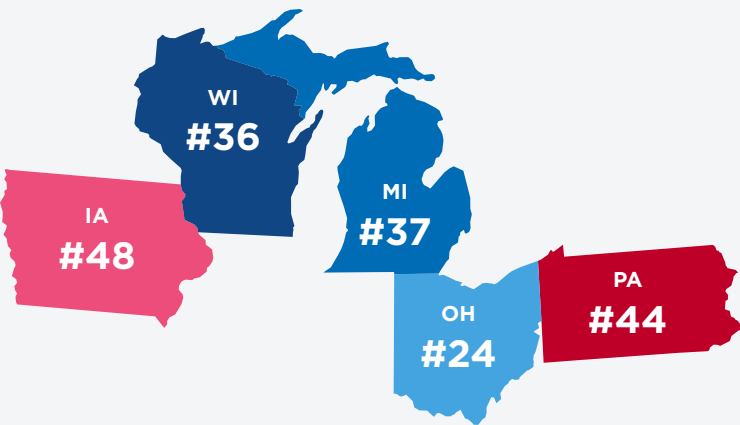
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INFRASTRUCTURE IS PARTICULARLY BAD IN THE MIDWEST, WHERE FEDERAL INVESTMENT MEANS THE MOST

MIDWESTERN STATES' INFRASTRUCTURE RANKINGS



KEY FINDINGS

- IA:** First in the nation for number of structurally deficient bridges, 20% (nearly 5,000 of 24,000 bridges across the state).³⁰
- MI:** Lowest annual state spending on highways in the nation (\$172/driver) and has a score of D- from ASCE on roads.³¹
- PA:** Current wastewater systems discharge billions of gallons of raw sewage into Pennsylvania's surface waters each year.³²
- OH:** Only 46% of Ohioans have access to affordable wired broadband internet.³³
- WI:** 5th highest cost per year to motorists caused by driving on roads in need of repair (\$736).³⁴

THE MIDWEST IS A TRANSPORTATION HUB

OHIO IS THE CROSSROADS OF AMERICA



Ohio is within a day's drive of 60% of the U.S. and Canadian population.³⁵

- 4TH LARGEST INTERSTATE SYSTEM³⁶
- 2ND LARGEST INVENTORY OF BRIDGES³⁷
- 3RD HIGHEST FREIGHT VOLUME³⁸
- 6TH HIGHEST NUMBER OF VEHICLE MILES TRAVELED³⁹

Federal Highway Administration estimates that the return on investment for each dollar spent on transportation infrastructure is \$5.20, which benefits the transportation-driven Midwest the most.⁴⁰



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WITH TRUMP AWOL ON INFRASTRUCTURE, MAYORS AND GOVERNORS ARE LEFT WITHOUT A PARTNER OR A NATIONAL PLAN

Current proposals in Washington do not allocate enough federal funding for cities to think holistically about infrastructure — beyond just roads.

“

Infrastructure projects of regional and national significance, which underpin economic revitalization efforts across the country, require a federal-state-local partnership. The local and state partners have made this a priority. What happened to the federal partner?

”

- JOHN D. PORCARI
FORMER DEPUTY SECRETARY
OF TRANSPORTATION

“

From a local perspective, thinking about a lot of the infrastructure conversations happening today, without lots of funding from the federal government, the math is simply unsustainable for local and state governments to take a holistic view of infrastructure, especially for less visible projects such as water and sewer systems.

”

- NAN WHALEY
MAYOR OF DAYTON, OH

Without a strong federal partner, local and state governments are left to themselves to plan and fund infrastructure investments on their own.

Many Midwestern states have a disproportionately larger number of local governing units, making planning and coordination even more difficult.

A federal plan would create cohesion across projects and reduce bureaucratic delays.

STATE RANKINGS OF TOTAL GOVERNMENTAL UNITS⁴⁹

#3 PA (4,897)

#5 OH (3,842)

#10 WI (3,128)

#12 MI (2,875)

#17 IA (1,947)



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CASE STUDY: PENNSYLVANIA (C-)

22%
OF STATE-REGULATED
DAMS ARE AT HIGH
HAZARD RISK⁴¹

17%
OF BRIDGES ARE
STRUCTURALLY
DEFICIENT⁴²

#5 HIGHEST IN U.S.

797
HAZARDOUS
DAMS⁴³

PENNSYLVANIA
BRIDGES ARE
ON AVERAGE
15
YEARS OLDER
THAN U.S. AVG.⁴⁴

30%
OF PUBLIC
ROADS ARE IN
POOR CONDITION⁴⁵

\$6.95
BILLION
IN WASTEWATER
INFRASTRUCTURE
NEEDS OVER THE
NEXT 20 YEARS⁴⁶

#7
WORST
INFRASTRUCTURE
IN THE U.S.⁴⁷

For motorists statewide, traffic congestion results in over \$3.7 billion per year in lost time and wasted fuel, and deficient roadway conditions cost the average motorist over \$500 in operating and maintenance outlays.⁴⁸



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CASE STUDY: IOWA'S WATER INFRASTRUCTURE



DAMS
ASCE REPORT CARD SCORE



INLAND WATERWAYS
ASCE REPORT CARD SCORE



LEVEES
ASCE REPORT CARD SCORE

IOWA'S ECONOMY DEPENDS ON ITS RIVERS⁵⁰

\$4.3B
IN REVENUE

26K
JOBS

96
DAMS IN IOWA
ARE RATED
HIGH HAZARD

IOWA'S STATE DAM SAFETY
PROGRAM BUDGET IS LESS THAN
\$50 PER REGULATED DAM.
NATIONAL AVERAGE IS \$700 PER DAM.

490 miles of inland waterways;
locks and dams are 80 years old,
on average — 30 years past
intended design life.⁵²

“We are experiencing what the rest of the planet is experiencing...Wet areas are getting wetter, and dry areas are getting drier,” said Jerry Schnoor, a University of Iowa professor in civil and environmental engineering... Warming over the Gulf of Mexico is helping feed large rain events in Iowa and the Midwest, Schnoor said: ‘That’s why we’re prone to these great down-pours like Des Moines saw on June 30.’”

“WHAT A DIFFERENCE ONE DEGREE
MAKES: IOWA IS GETTING HOTTER, BRINGING
MORE FREQUENT AND INTENSE STORMS”
AUGUST 9, 2018

The Des Moines Register

2019 = WORST YEAR EVER

Iowa set a record for rain and snow over the past 12 months (6/18-5/19) with nearly 51 inches of precipitation, which is approximately 16 inches more than the 34.42 inches the state averaged from 1981 to 2010.⁵⁴

During the first half of this year, four levees broke in Iowa, putting 2,300 people and 1,600 buildings at risk.⁵⁵ 70 Iowa counties were declared disaster areas. Damages estimated at \$1.6 billion.⁵⁶

**OVER
50%**
OF COUNTIES
UNDER DISASTER
PROCLAMATIONS

92%

OF THE NATION'S
AGRICULTURAL
EXPORTS

78%

OF THE WORLD'S
EXPORTS IN
FEED GRAINS AND
SOYBEANS

60%

OF ALL GRAIN
EXPORTED FROM
THE U.S.

ARE SHIPPED ON THE MISSISSIPPI RIVER⁵¹



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QUESTION 3:

ARE TRUMP'S TAX CUTS HELPING THE MIDDLE CLASS?

ANSWER: NOT REALLY.

MOST OF TRUMP'S \$1.9 TRILLION IN CUTS BENEFIT WEALTHY FAMILIES (BY DESIGN), AND TRUMP WANTS TO PAY FOR IT ALL BY CUTTING SOCIAL SECURITY AND HEALTH CARE.



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THE ARGUMENT

1 Chances are, you got a tax cut. Chances are, you also got screwed. The top 5% took more than half of the pie and left you to pay the check.

2 How did Trump do it? By favoring the types of income that the richest people earn: cutting corporate tax rates, doubling the estate tax exemption, and allowing deductions for pass-through income.

3 In other words, the Trump tax cuts skipped the middle class by design.

4 Trump sold his tax cuts with promises that helping the rich would trickle down to middle-class families. It hasn't.

5 Trump promised his tax cuts would pay for themselves by generating massive economic growth. They haven't.

6 To pay for his tax cuts, Trump now wants to cut health care and Social Security by \$1.65 trillion.

“

Our framework ensures that the benefits of tax reform go to the middle class, not to the highest earners.¹

”

- PRESIDENT DONALD TRUMP
OCTOBER 2017



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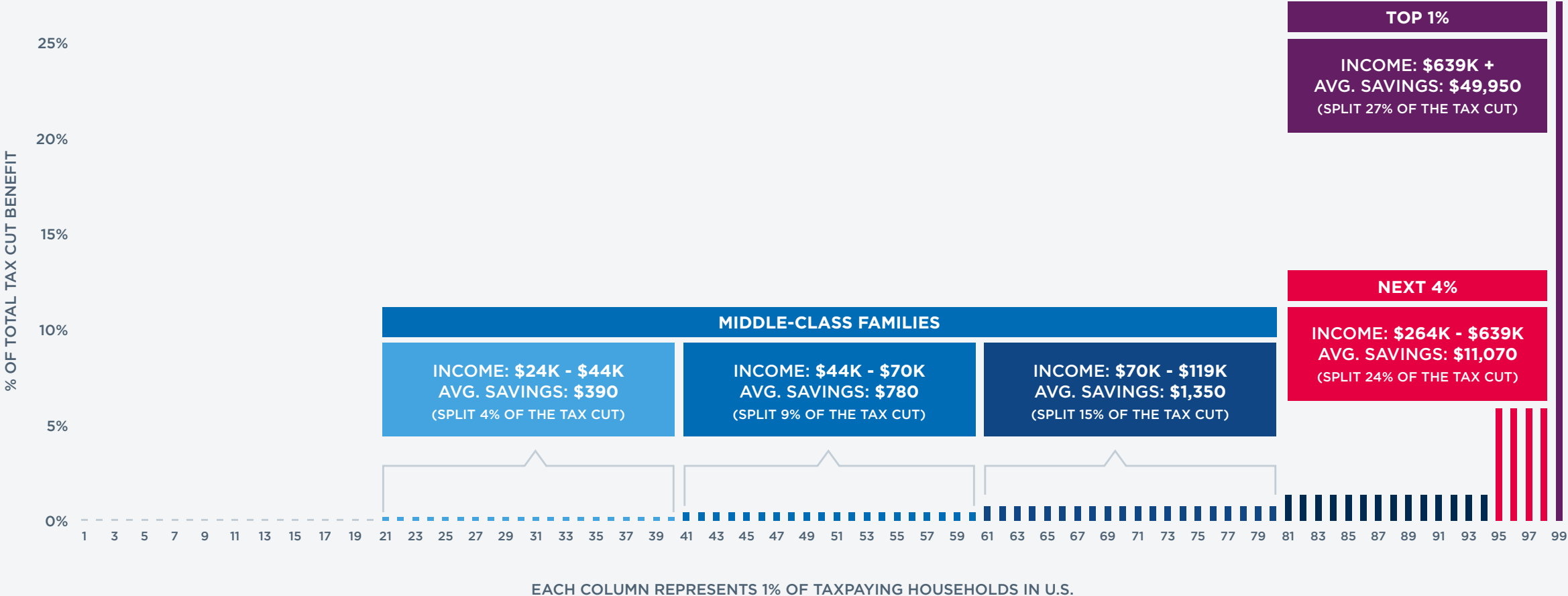
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TRUMP'S "MIDDLE-CLASS" TAX CUT: THE TOP 5% TOOK MORE THAN HALF OF THE TOTAL BENEFITS

AVERAGE SHARE OF TRUMP TAX BENEFIT PER INCOME PERCENTILE²



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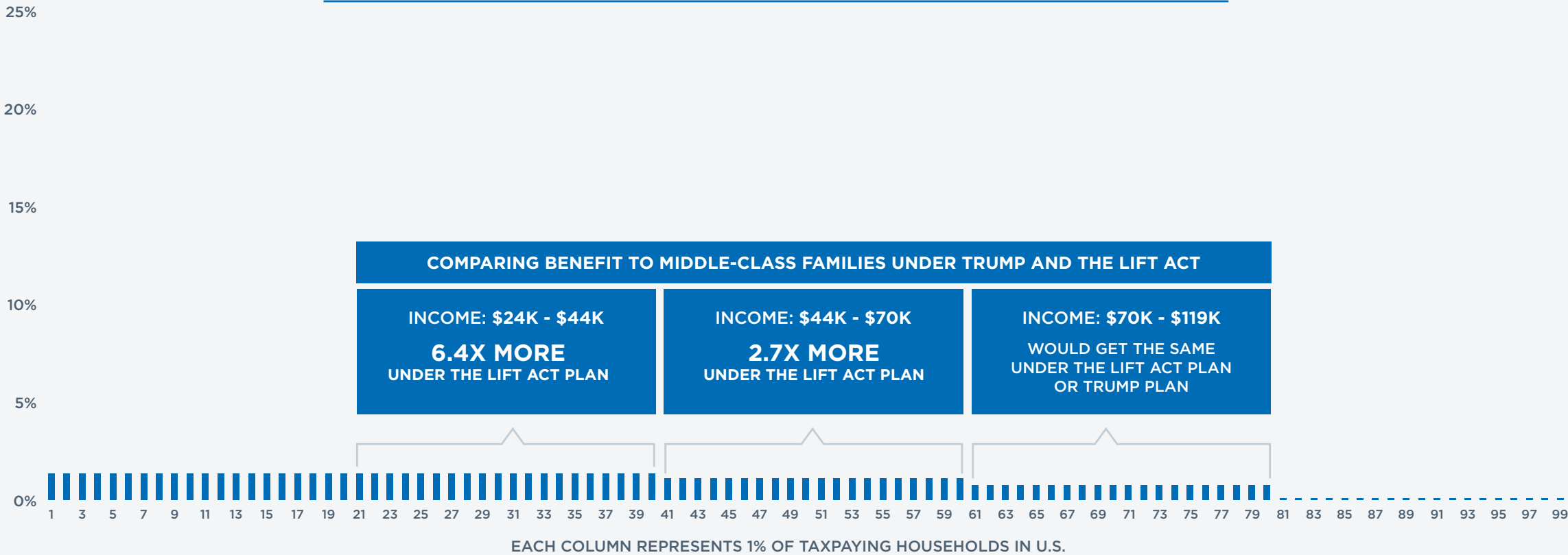
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HERE'S WHAT A MIDDLE-CLASS TAX CUT ACTUALLY LOOKS LIKE

Several federal lawmakers have proposed tax cuts and credits, each of which gives substantially more to the middle class than President Trump's Tax Cuts and Jobs Act. One example (highlighted below) is the LIFT the Middle Class Act, which provides up to a \$6,000 refundable tax credit for families earning under \$100,000 annually. This proposal and other plans, including the Cost-of-Living Refund Act, American Family Act, Working Families Tax Relief Act, and the Rise Credit, would distribute the majority of benefits among the middle class.³

AVERAGE SHARE OF THE LIFT THE MIDDLE-CLASS ACT TAX BENEFIT PER INCOME PERCENTILE



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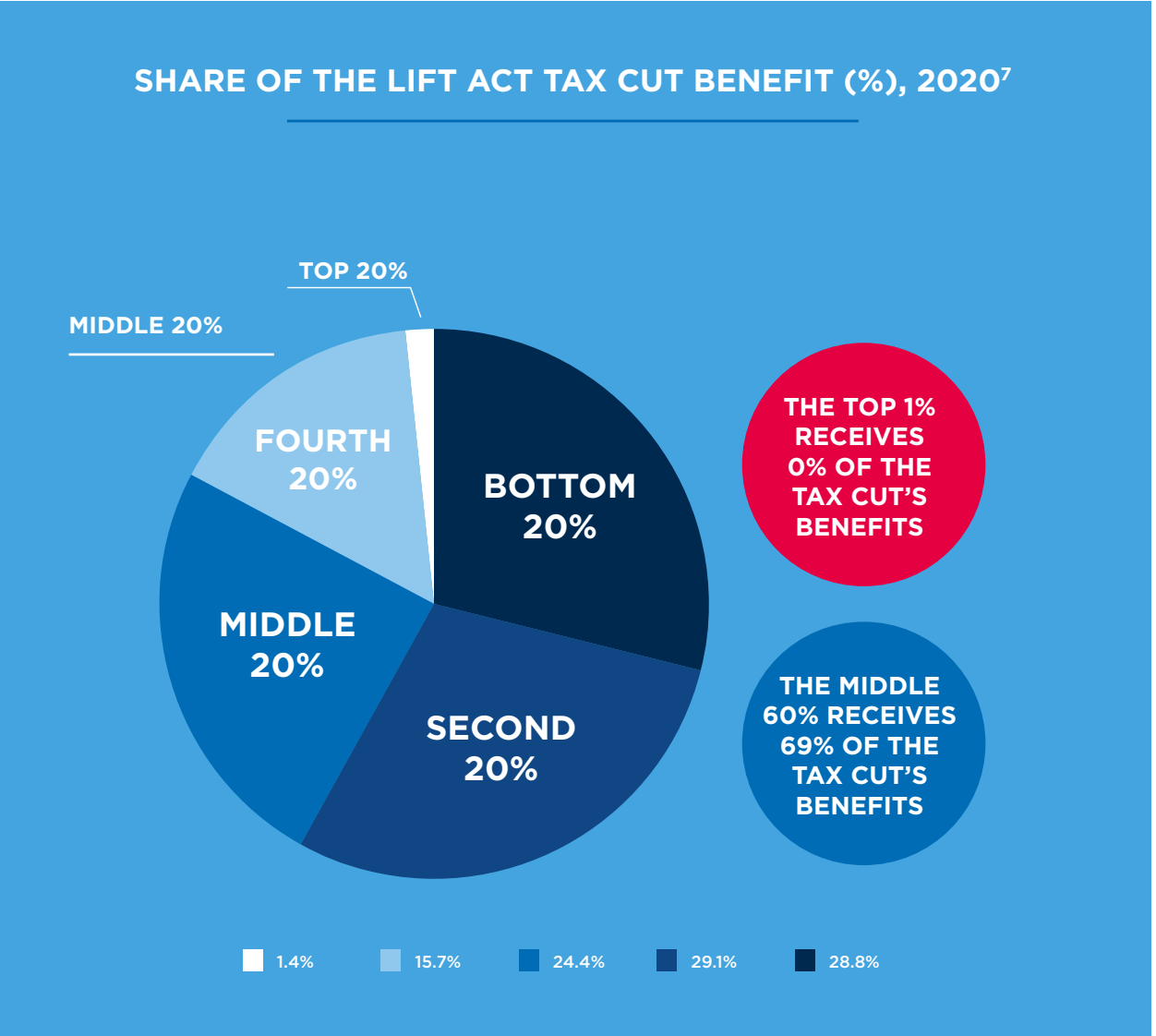
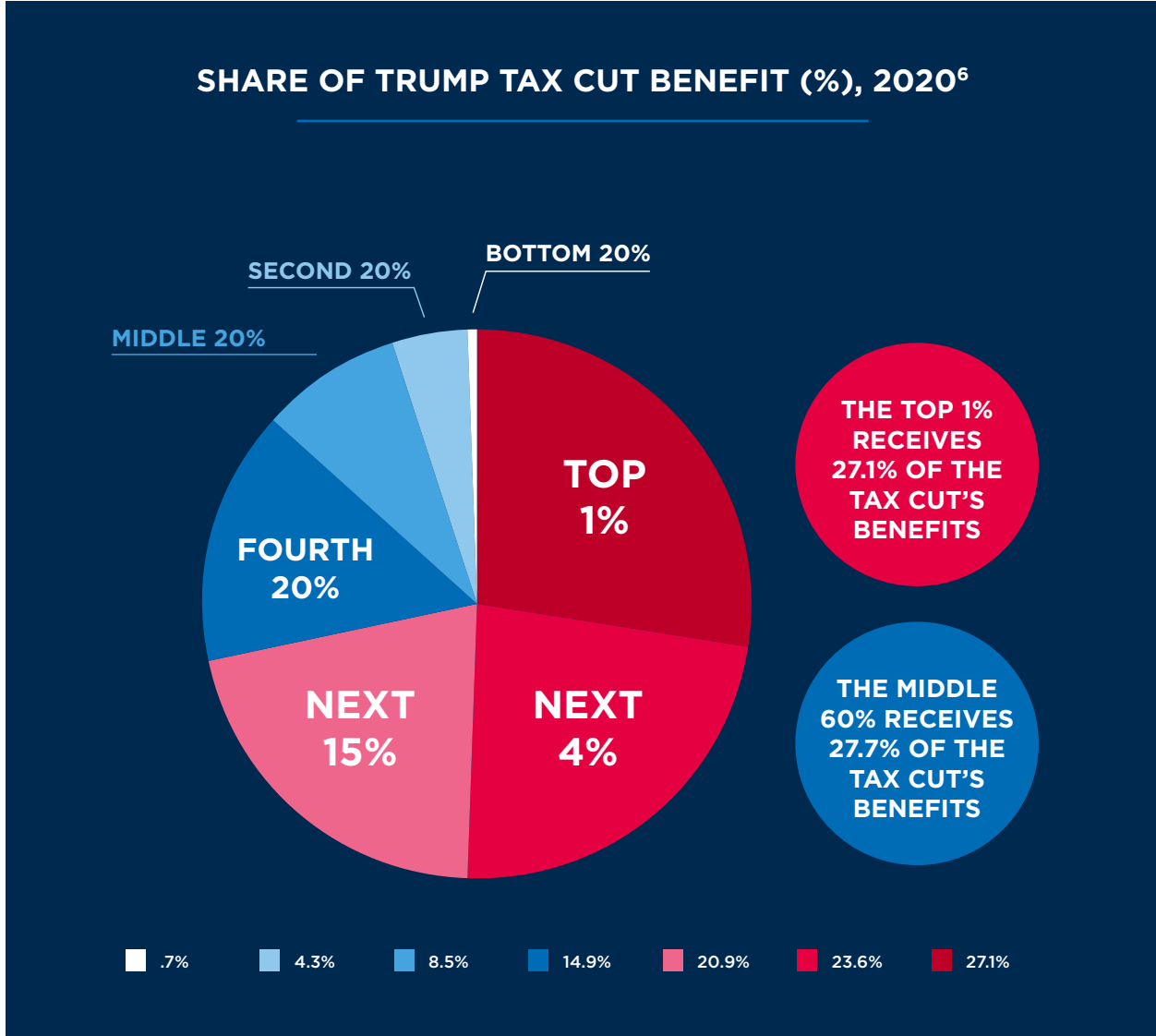
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TRUMP CUT YOU A SLIVER OF THE PIE; HE GAVE MORE THAN HALF TO THE RICHEST AMERICANS

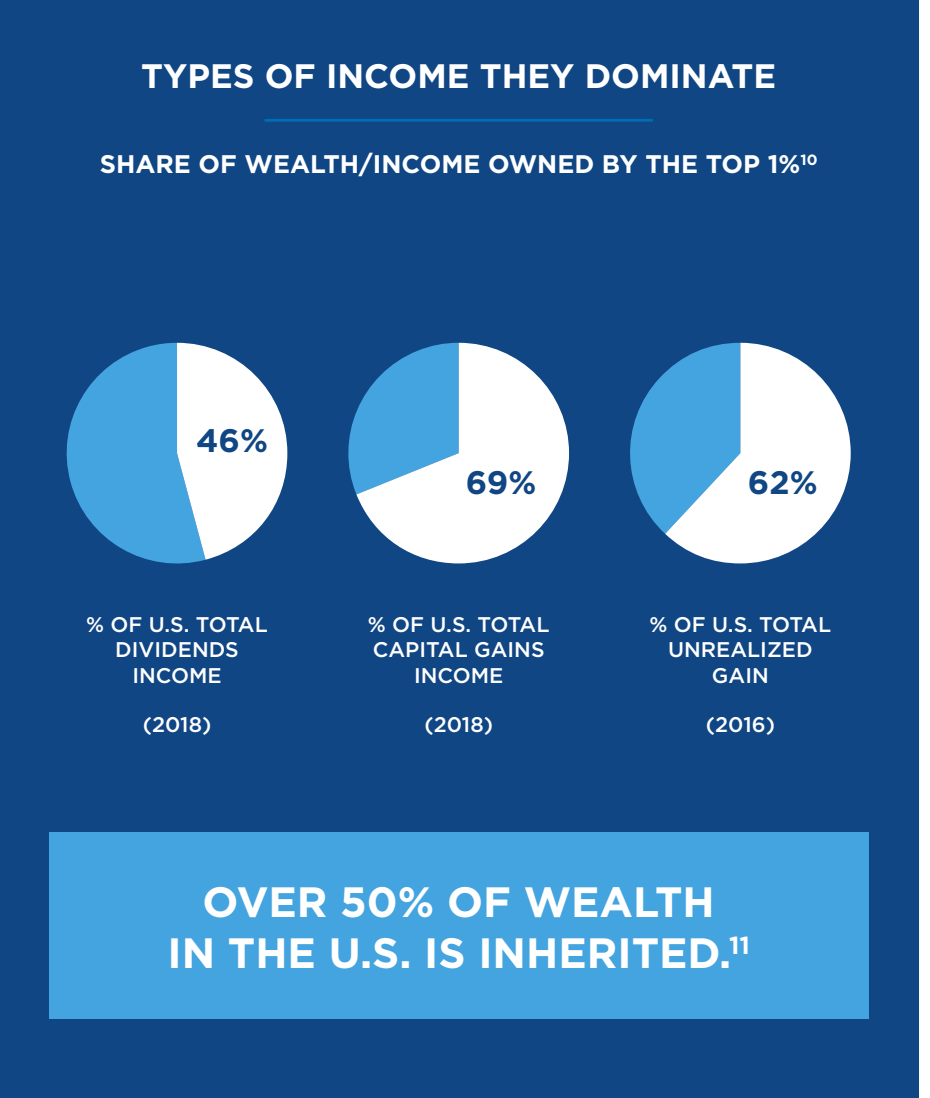
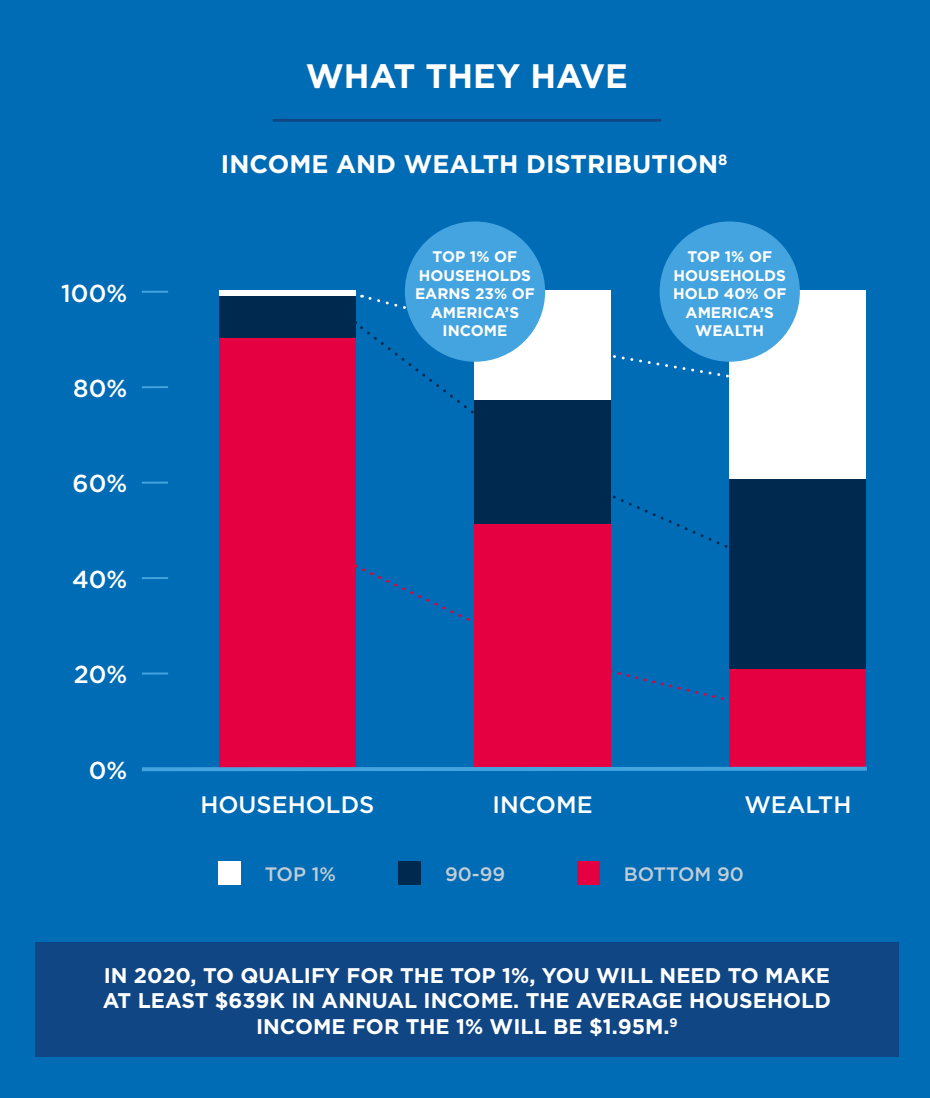


HOW TRUMP DID IT: TRUMP'S TAX CUTS FAVOR THE WEALTHY BY TARGETING TYPES OF INCOME THE RICHEST AMERICANS EARN

THE RICH DON'T JUST EARN MORE MONEY. THEY EARN IT DIFFERENTLY.

If Trump wanted to give all of the cut to middle-class families, like he promised, he could have cut them checks or handed out tax credits on ordinary income.

Instead, Trump dedicated 14% of his tax cuts to reducing rates for pass-through businesses, doubled the estate tax exemption, and reduced the corporate tax rate (which benefits the companies' stock holders).



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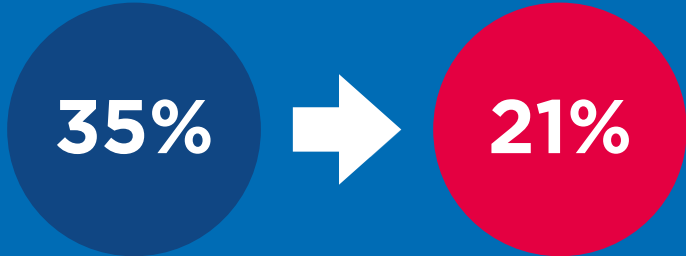
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BY DESIGN, HALF OF AMERICA'S FAMILIES MISSED OUT ON THE CORPORATE TAX CUT BECAUSE THEY OWN LITTLE TO NO STOCK

CORPORATE TAX CUTS' BIGGEST, MOST IMMEDIATE BENEFICIARIES ARE STOCKHOLDERS

CORPORATE TAX RATE BEFORE AND AFTER TAX REFORM



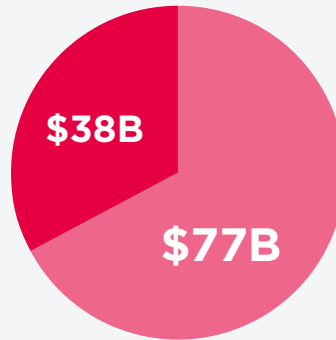
Congress' official revenue estimator, the Joint Committee on Taxation, assumes all corporate tax cuts go to shareholders in the first year, and only a small fraction goes to workers over time.



HALF OF AMERICANS OWN NO STOCK¹⁴

ONE-THIRD OF U.S. STOCKS ARE HELD BY FOREIGN INVESTORS, SO ONE-THIRD OF THE BENEFITS WILL LEAVE THE U.S.¹²

CORPORATE TAX CUT PAYOFFS, 2020

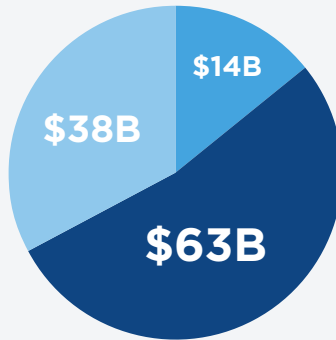


FOREIGN INVESTORS ALL AMERICAN INVESTORS

FOREIGN INVESTORS WILL RECEIVE \$38 BILLION OUT OF \$115 BILLION TOTAL CORPORATE TAX CUTS

THE RICHEST 20% WHO OWN THE BULK OF STOCKS RECEIVE 81% OF THE BENEFITS¹³

CORPORATE TAX CUT PAYOFFS, 2020



TOP 20% OF AMERICANS BY INCOME LEVEL BOTTOM 80% OF AMERICANS BY INCOME LEVEL FOREIGN INVESTORS

U.S. TAXPAYERS WILL RECEIVE \$77 BILLION IN BENEFITS; THE RICHEST 20% WILL SPLIT \$63 BILLION WHILE THE BOTTOM 80% WILL SPLIT THE REMAINING \$14 BILLION



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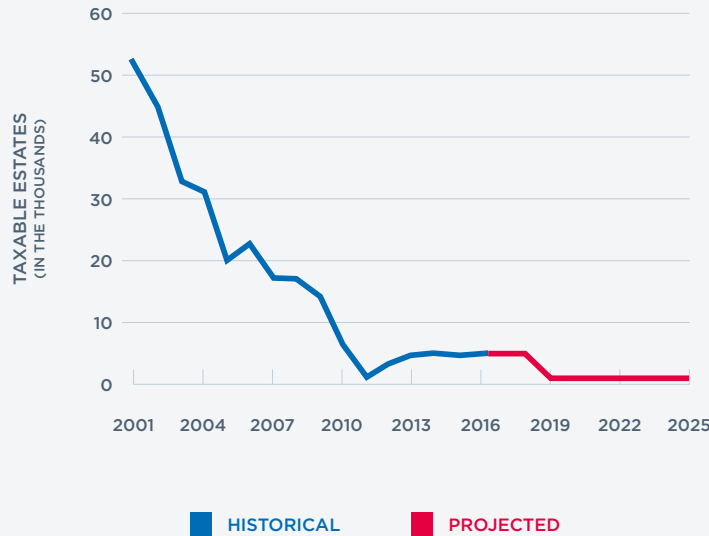
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BY DESIGN, ESTATE TAX CHANGES GIVE MILLIONS OF DOLLARS TO WEALTHY ESTATES VALUED AT OVER \$11 MILLION

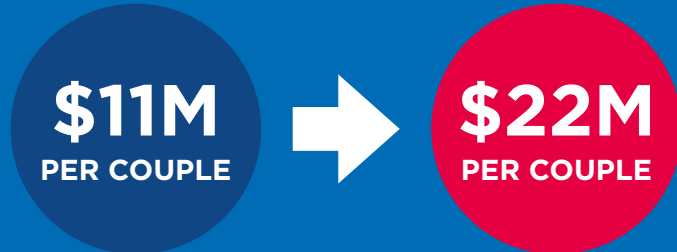
THE ESTATE TAX IS DESIGNED TO LEVEL THE PLAYING FIELD BETWEEN MIDDLE-INCOME AND ULTRA-WEALTHY FAMILIES

BUT, ACCORDING TO THE CENTER ON BUDGET AND POLICY PRIORITIES, "UNDER 2017 TAX LAW, NUMBER OF ESTATES FACING ESTATE TAX WILL CONTINUE TO PLUMMET"¹⁵



TRUMP GUTS THE ESTATE TAX BY DOUBLING EXEMPTION

Heirs that receive under \$22 million worth of property do not pay anything with the higher estate tax exemption. The high exemption means that most heirs pay a relatively low tax rate; the average tax rate in 2018 was 16.5%.¹⁶



ULTRA WEALTHY BENEFIT¹⁷

Reduces share of estates facing tax to

1 IN 1,000

1,800 of the richest estates (those worth more than \$22M per couple) each received a tax break of

\$4.4M

According to the Joint Committee on Taxation, the tax break costs:

\$83B



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BY DESIGN, THE PASS-THROUGH DEDUCTION PROVIDES ANOTHER TOOL FOR THE WEALTHY TO REDUCE THEIR TAXES

PASS-THROUGH DEDUCTION

20%

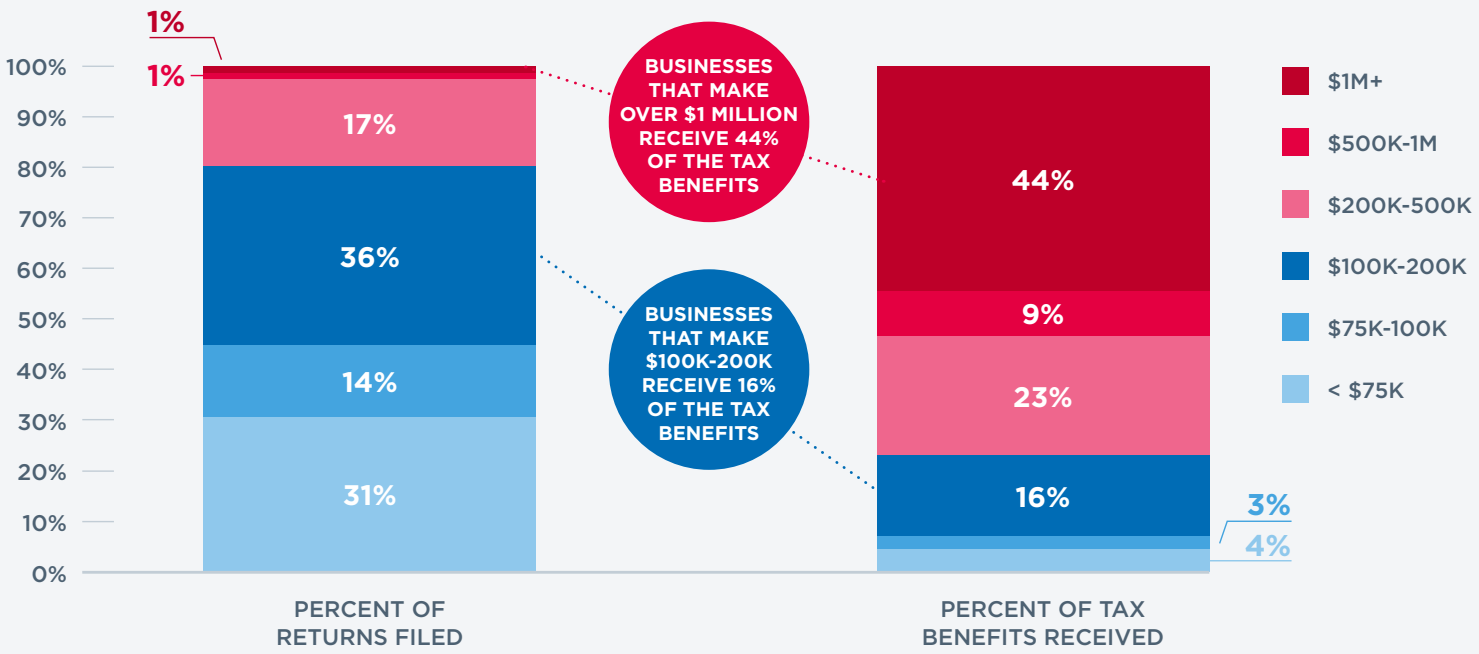
Allows select LLCs, sole proprietorships, and S corporations to use the individual tax rate less a 20% deduction for “pass-through” income.

Households in the highest tax brackets can deduct more per each dollar of pass-through income earned.

ADVERTISED FOR SMALL BUSINESS; DESIGNED FOR BIG BUSINESS

Of Trump’s pass-through tax deduction, 44% goes to people earning \$1M+ per year — that’s an average break of \$89,000 per household.¹⁸ And other wealthy Americans can game the system by re-organizing their businesses to reclassify their income.

DISTRIBUTION OF RETURNS FILED VS. DISTRIBUTION OF TAX BREAK FOR PASS-THROUGH BUSINESSES, 2018¹⁹



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TRUMP SAID HIS \$1.9 TRILLION TAX CUTS WOULD PAY FOR THEMSELVES; THEY AREN'T

THE CLAIM

“ We are totally confident this is a revenue-neutral bill and probably a revenue producer.²² ”

- MITCH MCCONNELL
SENATE MAJORITY LEADER

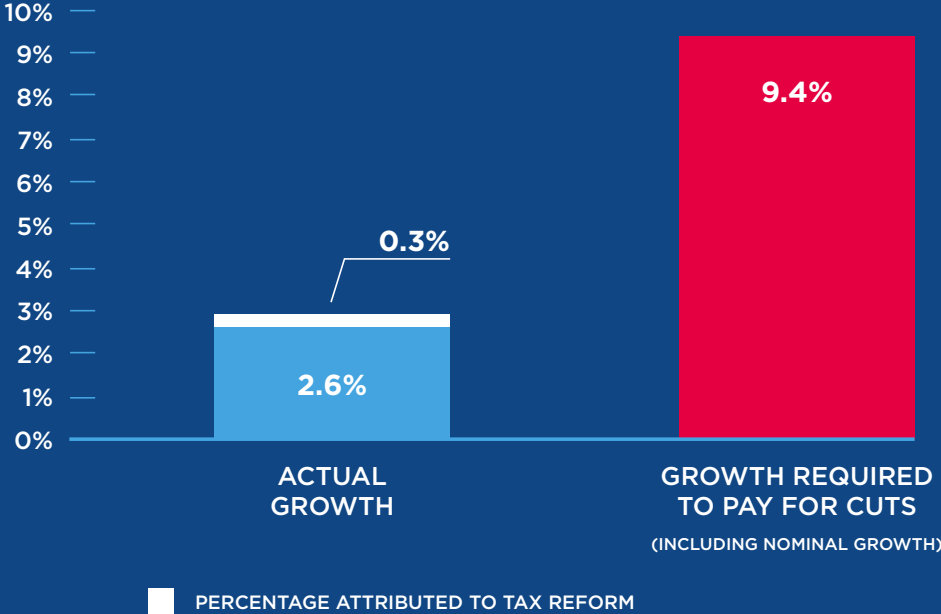
THE CONCEPT

Tax cuts create additional economic activity (spending), which generates new tax revenue. Economists call this the “feedback effect,” while some politicians call it the “trickle down effect.”

THE REALITY

Last year, our economy grew by 2.9%. According to the CRS, the economic feedback effect of Trump’s tax cuts was 0.3% of GDP. That’s less than 5% of the growth needed to make up the revenue lost in the first year.²³ To pay for itself, the tax cuts would have had to increase GDP growth by nearly 4X. The IMF forecasts that GDP growth will slow and hit 1.6% by 2024.²⁴

GDP GROWTH RATES (PERCENTAGE CHANGE), 2018²⁵



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TRUMP SAID CORPORATIONS WOULD USE THE TAX CUT TO INCREASE WORKER WAGES; THEY BOUGHT THEIR OWN STOCK INSTEAD

THE CLAIM

“ I would expect to see an immediate jump in wage growth.²⁶ ”

- KEVIN HASSETT
CHAIR, COUNCIL OF ECONOMIC ADVISERS

THE CONCEPT

The White House Council of Economic Advisors projected Trump’s tax cuts would boost household income by \$4,000 — and up to \$9,000 over time. The idea was that corporations would share their savings with workers.²⁷

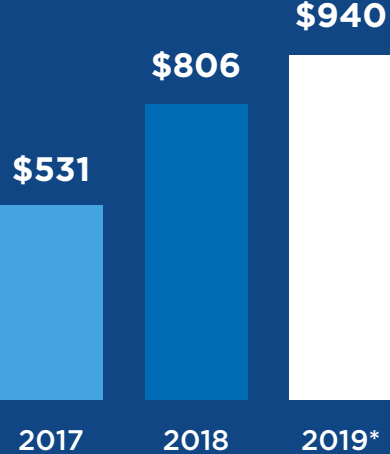
THE REALITY

“ There is no indication of a surge in wages in 2018 either compared to history or relative to GDP growth. This finding is consistent with the CBO projection of a modest effect.²⁸ ”

- JANE GRAVELLE & DONALD MARPLES
CONGRESSIONAL RESEARCH SERVICE
MAY 22, 2019

THE CAUSE

Corporations spent \$806 billion on buybacks – 52% more than they did in 2017. And they are projected to buy back another \$940 billion in 2019.²⁹



Buybacks lower the supply of shares, increasing demand and raising the value of each share.

* GOLDMAN SACHS PREDICTION³⁰



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TRUMP SAID CORPORATIONS WOULD BRING BACK MONEY AND INVEST IT IN THE U.S.; THEY HAVEN'T

THE CLAIM

“ I would expect capital spending to really take off if the tax bill passes.³³ ”

- KEVIN HASSETT
CHAIR, COUNCIL OF ECONOMIC ADVISERS

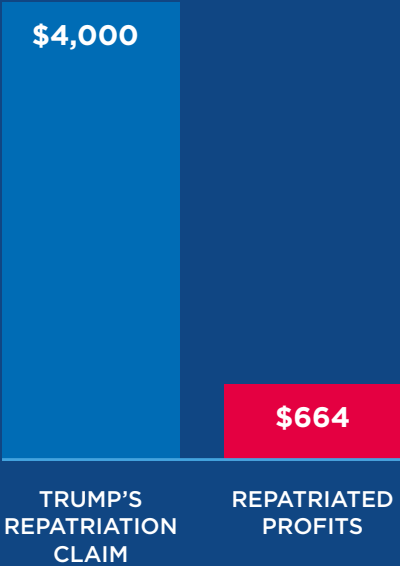
THE CONCEPT

Republicans argued that reducing the corporate tax rate and offering a tax break for repatriated profits would lead to increased investment in the U.S.

THE REALITY

In total, companies brought back only \$664 billion in profits, far below Trump’s \$4 trillion claim. And there is no evidence that the change in record-keeping to repatriate profits has increased investment in the U.S.

FOREIGN PROFITS (IN BILLIONS OF DOLLARS)³²



“A YEAR AFTER THE MIDDLE-CLASS TAX CUT, THE RICH ARE WINNING”

“There’s no sign of a spending spree... Earnings reports suggest big companies have mostly used their tax savings to protect profit margins squeezed by tariff-related uncertainty and cooling global demand... Some of the law’s new rules may even end up providing some incentives to keep or move operations overseas.”³⁴

BEN STEVERMAN
DECEMBER 18, 2018

Bloomberg



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TRUMP WANTS TO PAY FOR HIS \$1.9 TRILLION TAX CUT BY CUTTING YOUR HEALTH CARE AND SOCIAL SECURITY

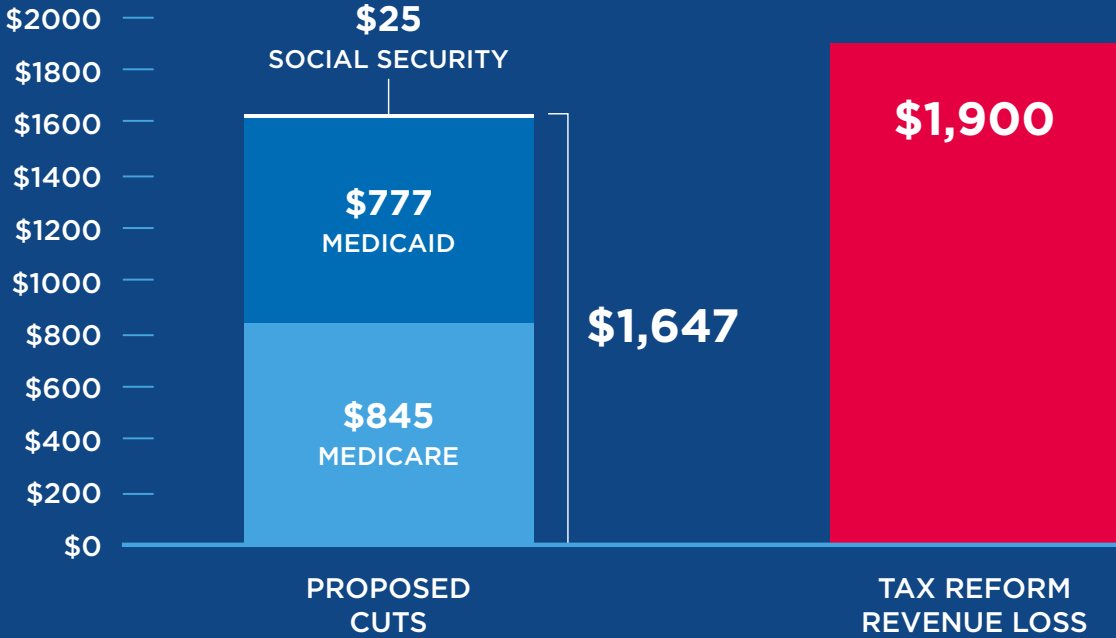
YOU WILL PAY FOR TRUMP'S TAX CUT



Trump proposed massive cuts to Medicare, Medicaid, and Social Security in his budget proposal for fiscal year 2020.

COMPARISON OF TRUMP'S PROPOSED CUTS TO HEALTH CARE AND SOCIAL SECURITY (2020-2029) WITH COST OF TRUMP TAX CUT (2018-2027)³⁵

(IN BILLIONS OF DOLLARS)



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Q6 GLOBAL LEADERSHIP

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Q8 SMALL BUSINESS

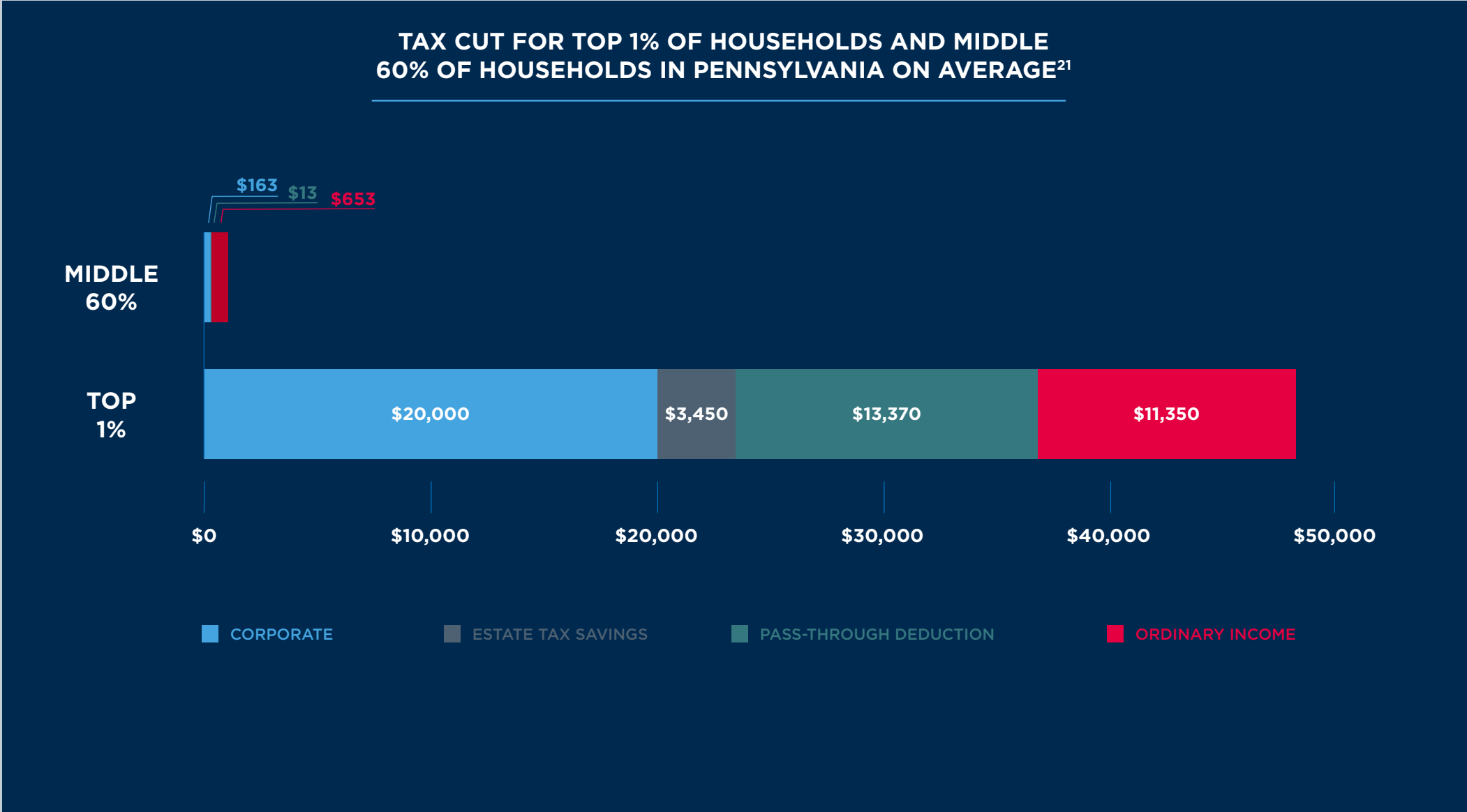
Q9 FUTURE OF WORK

Q10 GENDER GAP

CASE STUDY: PENNSYLVANIA

THOSE IN THE **TOP 1%** ENJOY AN AVERAGE **\$48,100** TAX BREAK²⁰

THAT IS **58X** MORE THAN THE AVERAGE **MIDDLE 60%** TAX BREAK



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QUESTION 4:

SHOULD WASHINGTON DO MORE TO SAVE COAL?

ANSWER: NO.

**TAXPAYERS ALREADY SPEND BILLIONS OF DOLLARS EACH YEAR
SUBSIDIZING COAL COMPANIES. AUTOMATION, SURFACE MINING,
AND NATURAL GAS ARE THE REAL THREAT TO THE COAL INDUSTRY.**



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THE ARGUMENT

1

Coal subsidies total \$4 billion per year, or about \$75,000 for every coal job in the U.S.

2

Automation has been killing coal jobs since the '50s, just as it has been in many other industries.

3

Surface mining started eliminating coal jobs in the '90s, because it's cheaper than underground mining and requires fewer miners.

4

Natural gas started replacing coal about 10 years ago, because it's cheaper and cleaner, which means coal jobs in West Virginia are turning into gas jobs in Pennsylvania.

5

For Iowa, Michigan, Ohio, and Wisconsin, switching from fossil fuels to renewables could generate \$58 billion in local investment and jobs.

6

Doubling down on coal for jobs doesn't make sense today. With renewables generating nearly two-thirds of global energy by 2050, relying on coal makes even less sense for tomorrow.

“

Obama's war on coal is killing American jobs, making us more energy dependent on our enemies and creating a great business disadvantage.¹

”

- PRESIDENT DONALD TRUMP



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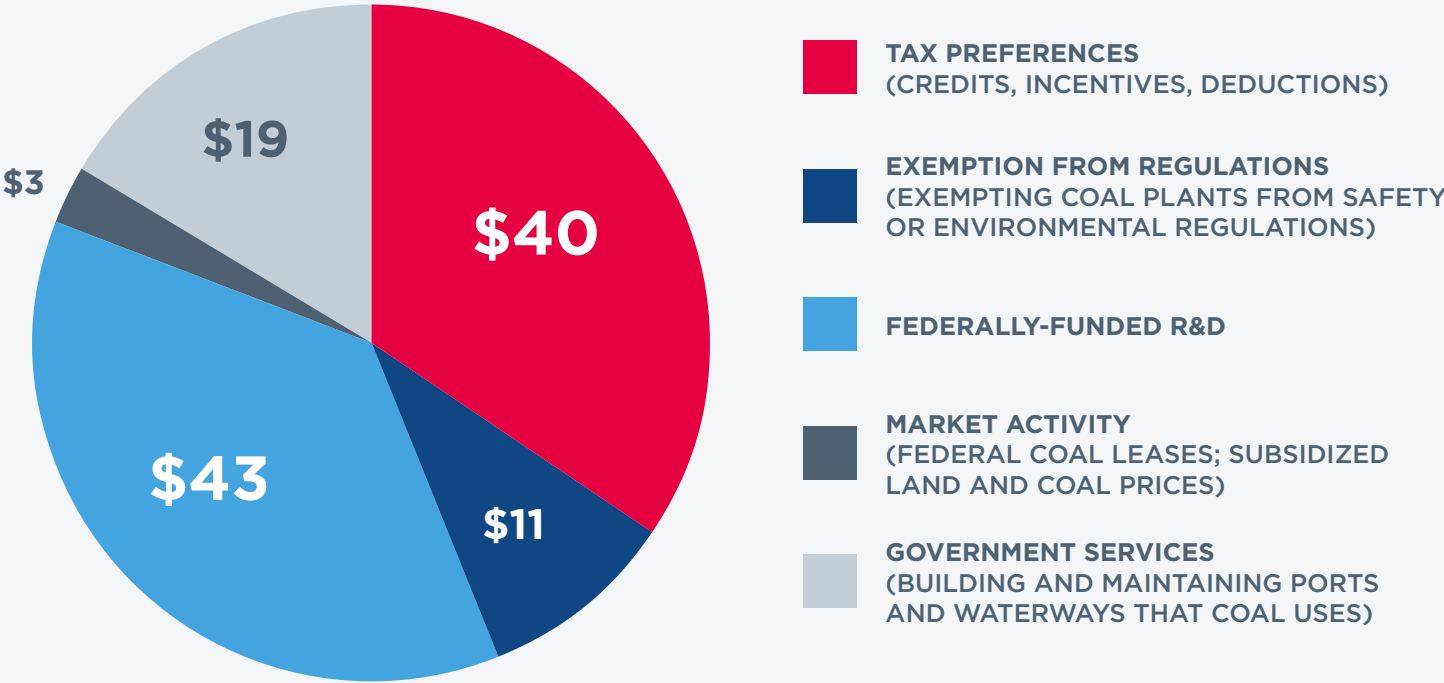
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TAXPAYERS HAVE SPENT \$120 BILLION SUBSIDIZING COAL COMPANIES SINCE WWII

TAXPAYER SUBSIDIES FOR COAL COMPANIES²
(1950-2016, IN BILLIONS OF DOLLARS)



THE COST OF COAL SUBSIDIES³



\$4B
PER YEAR
OR
\$75K
PER JOB



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TAXPAYERS COVER OTHER COSTS FOR COAL COMPANIES

MINES

WE ARE CLEANING UP 500,000 ABANDONED MINES

Coal companies have abandoned approximately 500,000 hardrock mines across the U.S., with an estimated cleanup cost as high as \$54 billion.⁴



COAL COMPANIES UNDERFUNDED HEALTH CARE FOR MINERS — LEAVING SICK WORKERS AND THEIR FAMILIES TO FEND FOR THEMSELVES

Government aid for sick miners could exceed

\$15 billion
by 2050⁶

CASE STUDY: COAL PLANTS SITUATED IN OHIO FLOOD PLAINS THREATEN CLEAN WATER⁷

Twenty-one coal plants with ash ponds are within a quarter-mile of the Ohio River. All are susceptible to flooding and five of them are in high-risk flood zones.

Twenty-five million people live in the Ohio River Basin and more than three million Americans get their drinking water from the Ohio River.

The Ohio River has been elevated for the past year, running four times the normal flow, increasing risk of coal contamination.

10

OHIO PLANTS

have already contaminated local groundwater.

FEBRUARY 20, 2019

U.S. MINING SITES DUMP 50 MILLION GALLONS OF FOULED WASTEWATER DAILY⁵

 PBS NEWSHOUR



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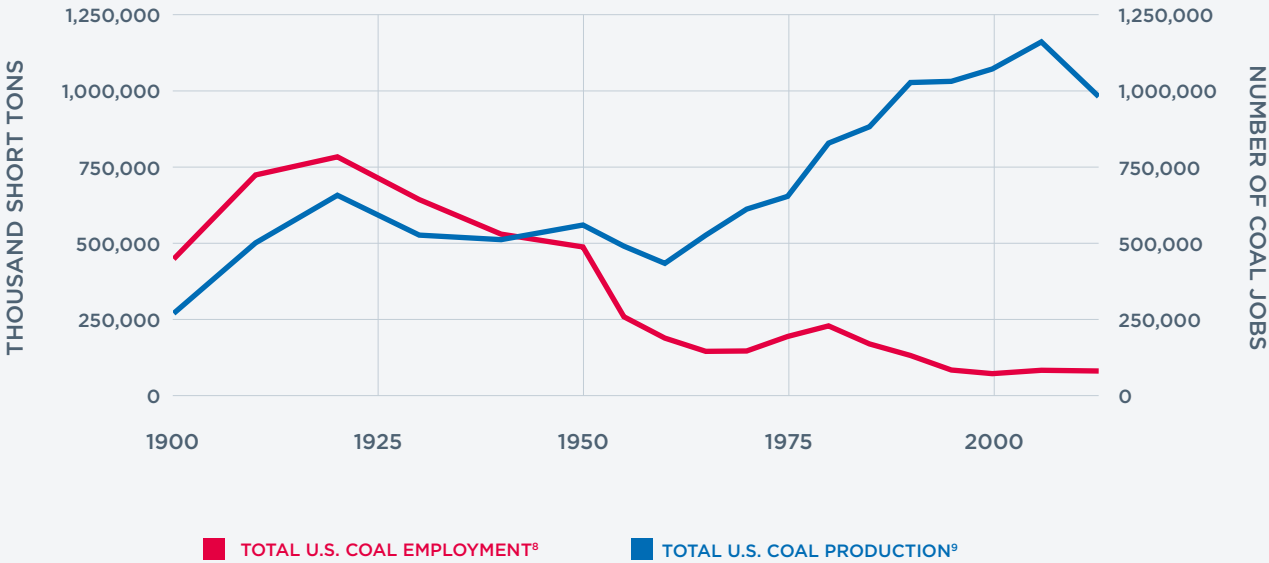
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AUTOMATION HAS BEEN KILLING COAL JOBS SINCE THE '50S, EVEN AS PRODUCTION INCREASED

MORE TONS PER WORKER = FEWER COAL WORKERS

TOTAL U.S. COAL PRODUCTION AND TOTAL U.S. COAL EMPLOYMENT



AUTOMATION'S IMPACT ON COAL IS MUCH LIKE ITS IMPACT ON EVERYTHING ELSE

2000-2017

5.5 million manufacturing jobs lost as manufacturing output increased 7%.¹⁰

2012-2017

226,000 administrative, bill collector, and bookkeeper jobs lost.¹¹

2017-2030

Up to 33% of the U.S. workforce will need to learn new skills and work in new occupations.¹²



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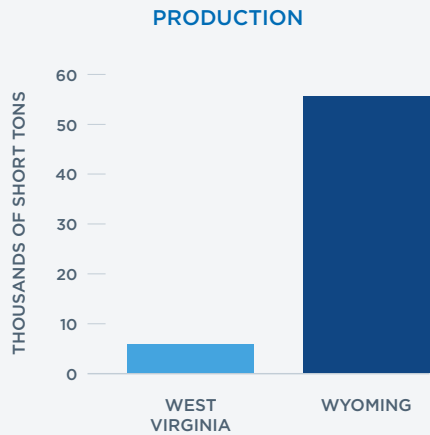
Q9 FUTURE OF WORK

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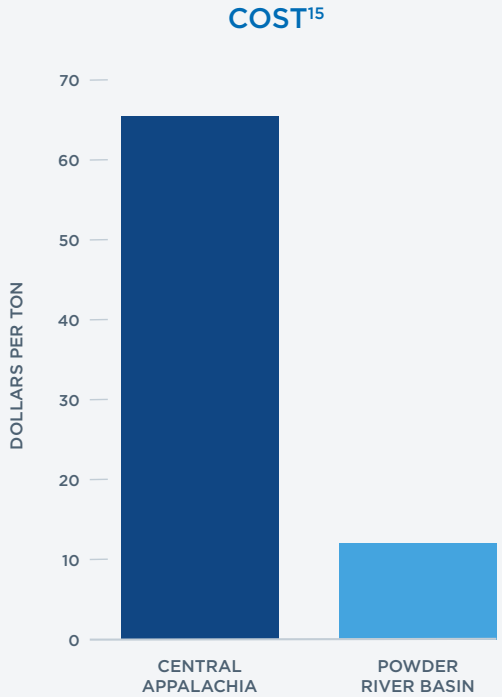
SURFACE MINING OUT WEST HAS BEEN ELIMINATING COAL JOBS SINCE THE '90S, BECAUSE IT IS CHEAPER, SAFER, AND REQUIRES FEWER MINERS

MINING IS EASIER OUT WEST...

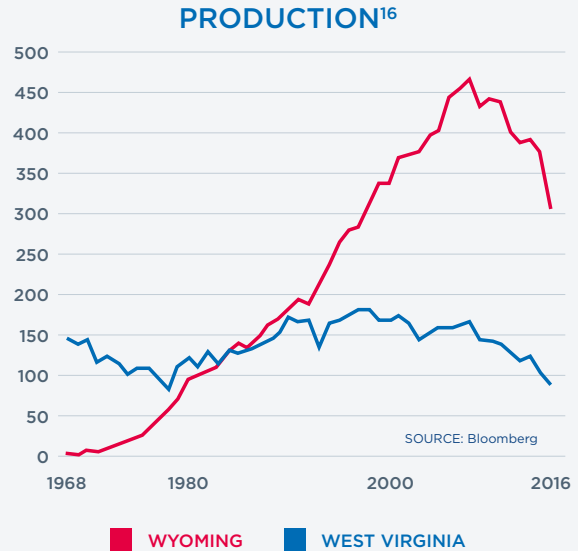
WYOMING MINES PRODUCE **8X** MORE COAL PER WORKER THAN WEST VIRGINIA^{13, 14}



WHICH MAKES WESTERN COAL 5X CHEAPER...



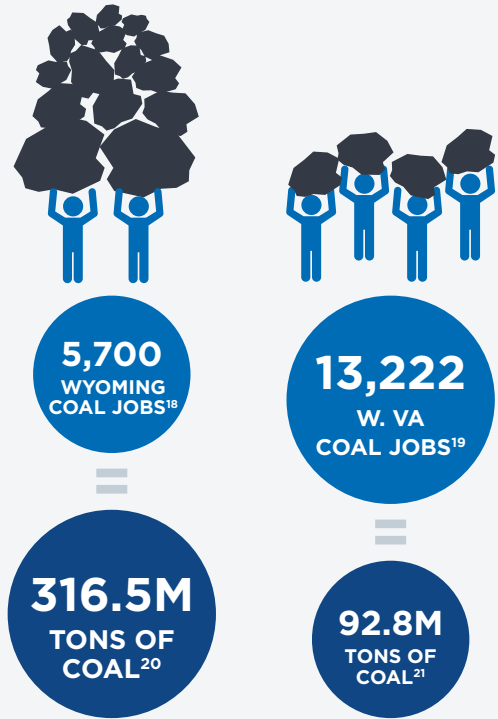
WHICH EXPLAINS WHY UTILITIES SWITCH TO WESTERN COAL...



16 MINES IN THE POWDER RIVER BASIN PRODUCE **43%** OF U.S. COAL

THERE ARE 671 TOTAL COAL MINES IN THE UNITED STATES.¹⁷

UNFORTUNATELY, WESTERN COAL MINES DON'T EMPLOY AS MANY WORKERS, PER TON



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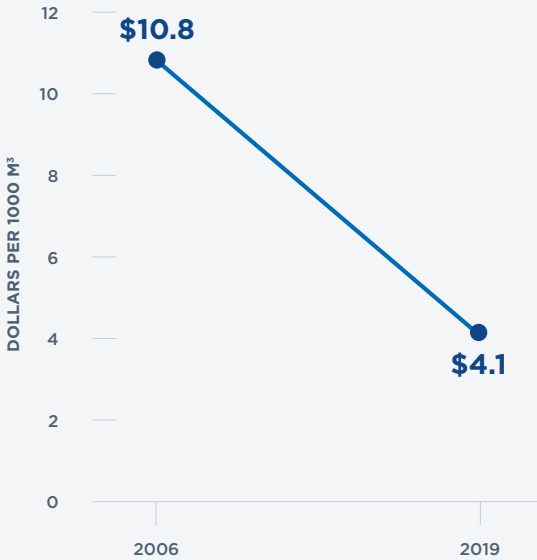
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NATURAL GAS HAS BEEN REPLACING COAL JOBS FOR ABOUT 10 YEARS, BECAUSE IT'S CHEAPER AND CLEANER THAN COAL

NATURAL GAS PRICES KEEP FALLING²²

New fracking technology and horizontal drilling techniques reduced natural gas costs by nearly two-thirds over the past 13 years.



COAL PLANTS CAN'T COMPETE²³

Of coal plants in the U.S., 72% are unprofitable when compared to an equivalent natural gas plant.

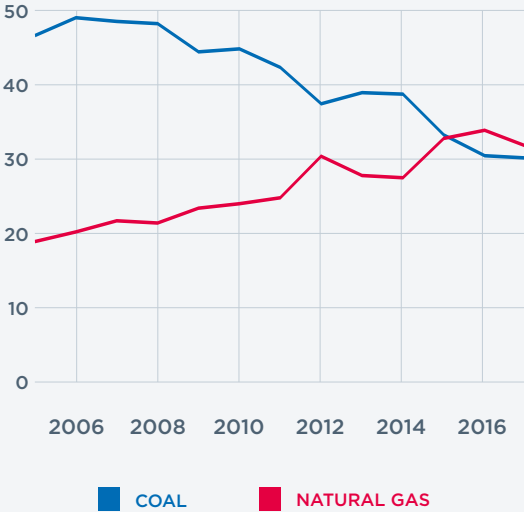
ACCOUNTING FOR ANTICIPATED COSTS

98%

OF U.S. COAL PLANTS ARE NOT PROFITABLE

AS COAL-FIRED PLANTS AGE, UTILITIES REPLACE THEM WITH NATURAL GAS²⁴

COAL AND NATURAL GAS MARKET SHARE



OIL AND GAS EMPLOYMENT RISES AS COAL EMPLOYMENT DROPS²⁵

COAL JOBS



OIL AND GAS JOBS



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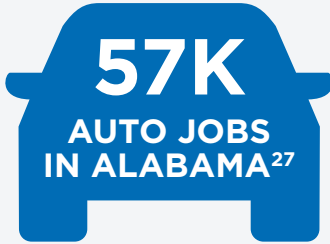
Q8 SMALL BUSINESS

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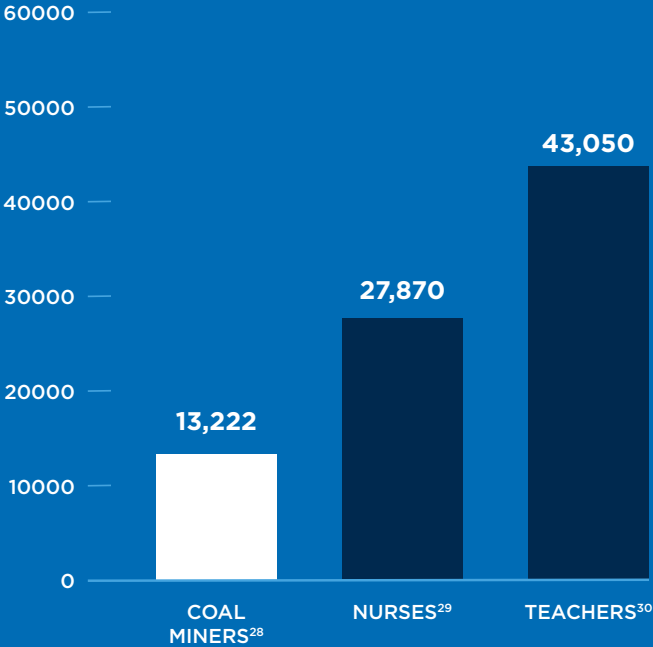
COAL EMPLOYS FEWER PEOPLE THAN YOU MIGHT THINK

MORE AUTO JOBS IN ALABAMA THAN COAL JOBS NATIONWIDE

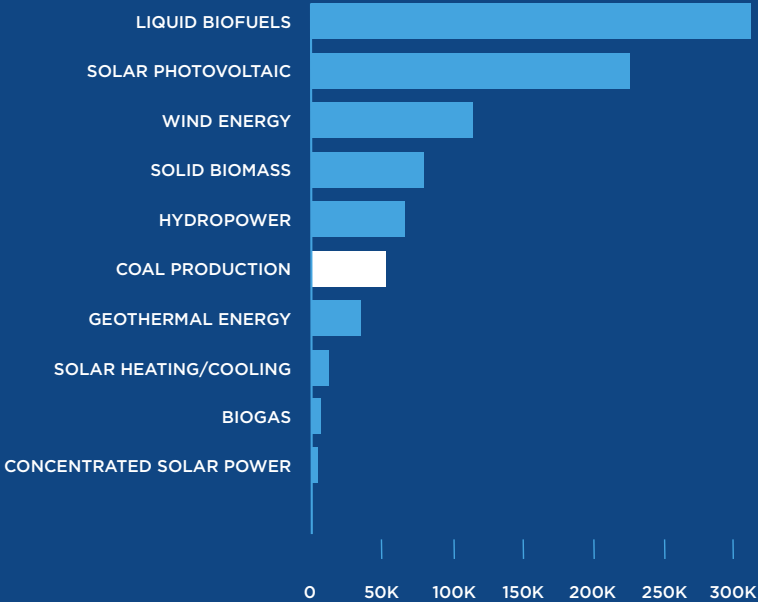


MORE TEACHERS AND NURSES IN WEST VIRGINIA THAN COAL WORKERS

EMPLOYMENT IN WEST VIRGINIA



FOR EVERY COAL JOB IN THE U.S., 16 RENEWABLE ENERGY JOBS³¹



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SKEPTICAL? ASK A COAL CEO OR A COAL ANALYST

MARCH 27, 2017
TIM MARCIN

TRUMP CAN'T BRING BACK MINING JOBS, COAL CEO WARNS

“Robert Murray, founder and chief executive of Murray Energy — the nation’s largest privately held coal mining company — told the Guardian that many mining jobs were lost to technology and competition, rather than regulation.

Trump can’t really change that, Murray said.

‘I suggested that he temper his expectations. Those are my exact words,’ Murray said. ‘He can’t bring them back.’”³²

Newsweek

JULY 10, 2019
TAYLOR KUYKENDALL

THE COAL SECTOR WILL CONTINUE TO STRUGGLE

“The new rule may result in a slower decline in coal-fired generation; however, it will not change the dynamics that have driven dramatic increases in both natural-gas fired and renewable generation.”³³

- Fitch Ratings, June 25, 2019

S&P Global



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UNDER TRUMP, “SAVING” COAL MEANS CUTTING BACK ON RENEWABLE ENERGY INVESTMENT

TRUMP’S 2020 BUDGET WOULD CUT RENEWABLE ENERGY

D.O.E. OFFICE OF ENERGY EFFICIENCY & RENEWABLE ENERGY FROM \$2.4 BILLION TO \$696 MILLION³⁴

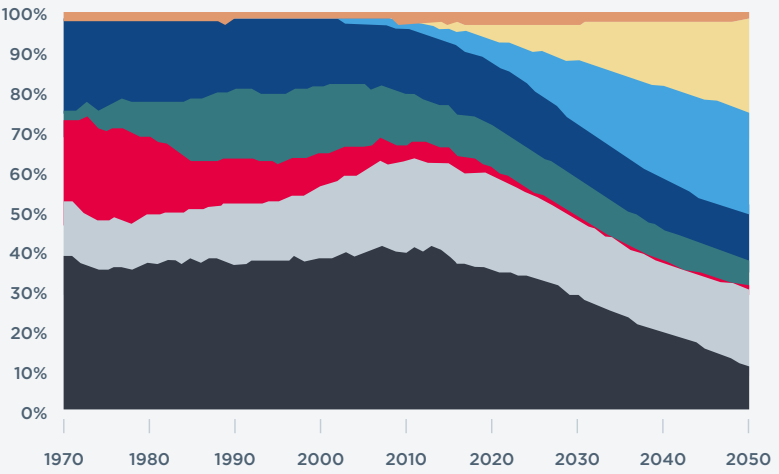
71%

D.O.E. OFFICE OF SCIENCE FROM \$6.6 BILLION TO \$5.5 BILLION³⁵

16%

ELIMINATES \$366 MILLION ALLOCATED TO ADVANCED ENERGY LABS ESTABLISHED BY PRESIDENT GEORGE W. BUSH.³⁶

EVEN THOUGH RENEWABLE ENERGY COULD GENERATE 62% OF GLOBAL ENERGY BY 2050³⁷



COAL OIL HYDRO SOLAR
GAS NUCLEAR WIND OTHER

PROJECTED SHARE IN 2050



SOURCE: Bloomberg New Energy Finance



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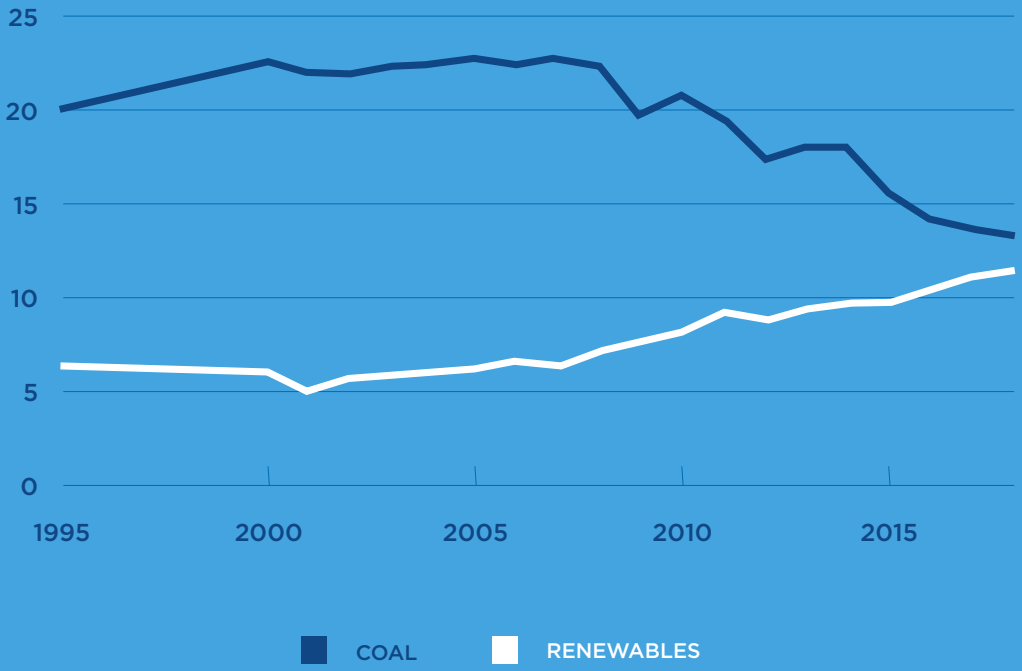
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ACROSS THE MIDWEST, SWITCHING FROM FOSSIL FUELS TO RENEWABLES = A \$58 BILLION “BUY LOCAL” OPPORTUNITY

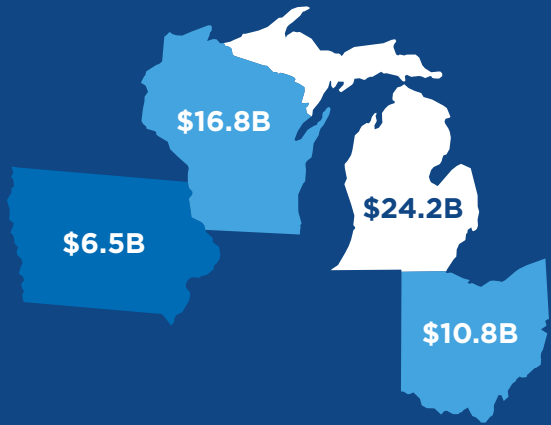
CONSUMERS IN THE U.S. ARE ALREADY MAKING THE SWITCH

U.S. COAL CONSUMPTION VS. U.S. RENEWABLE ENERGY³⁸



IF FULLY EMBRACED, THIS TREND COULD BE PARTICULARLY PROFITABLE IN THE MIDWEST³⁹

Iowa, Michigan, Ohio, and Wisconsin are net energy importers, due largely to their dependence on fossil fuels. Each has renewable energy capacity that could support local investment and jobs.



IF THESE STATES MOVED THEIR ENERGY IMPORTS TO RENEWABLE PRODUCTION AT HOME, \$58.3 BILLION AND NEW JOBS WOULD COME TO THE MIDWEST.



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TRUMP RECORD ON COAL WORKERS AND THEIR FAMILIES



UNCONCERNED WITH MINERS' HEALTH

Trump and Senate Republicans let the black lung benefit excise tax fall by half last year, putting health care for miners suffering from black lung at risk.⁴⁰



SIDES WITH INDUSTRY EXECS OVER WORKERS

Trump appointed Bill Wehrum, former industry lawyer, as his chief air regulator. Wehrum has argued in court against standards to protect miners and construction workers from dangerous silica dust.⁴¹



IGNORES PROTECTIONS FOR MINERS

Miners Pension Protection Act, which would keep miners' pension and health care funds solvent, has been introduced four times. Senate GOP and Trump have not pushed for a vote.⁴²



WOULD CUT FUNDS FOR COAL COMMUNITIES

Trump's first budget proposed eliminating the Appalachian Regional Commission, which supports economic development and worker training programs across Appalachia (including Pennsylvania and Ohio).⁴³



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QUESTION 5:

CAN WE FIX CLIMATE CHANGE WITHOUT WRECKING OUR ECONOMY?

ANSWER: YES.

SWITCHING TO RENEWABLE ENERGY COULD SAVE OUR ECONOMY.



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THE ARGUMENT

1 Republicans who argue that switching to renewable energy will “wreck the economy” ignore how little manufacturers spend on electricity and how much they spend on their supply chains.

2 The global energy race is over: renewable energy won. Of every new energy dollar, 77 cents is going to wind, solar, or batteries — and renewables will produce two-thirds of the world’s power by 2050.

3 As renewable energy grows more competitive, the number of states that can profit from it grows. For Iowa, Michigan, Ohio, and Wisconsin, renewable energy represents a \$58 billion opportunity to “buy local.”

4 By protecting coal plants and cutting funding for solar and wind R&D, Trump’s fighting market forces beyond his control. The U.S. should be leading on energy. We’re at risk of falling behind.

“

The concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive.¹

”

- DONALD TRUMP
NOVEMBER 2012



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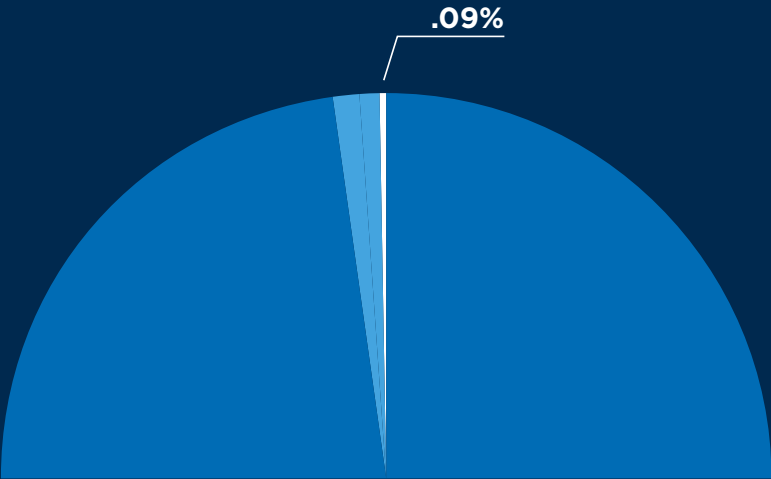
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REPUBLICAN ARGUMENTS ABOUT RENEWABLES “WRECKING THE ECONOMY” IGNORE HOW LITTLE MANUFACTURERS SPEND ON ELECTRICITY AND HOW MUCH THEY SPEND ON THEIR SUPPLY CHAINS

UTILITY COSTS REPRESENT TOO SMALL A SHARE OF A MANUFACTURER’S BUDGET TO “WRECK” IT²

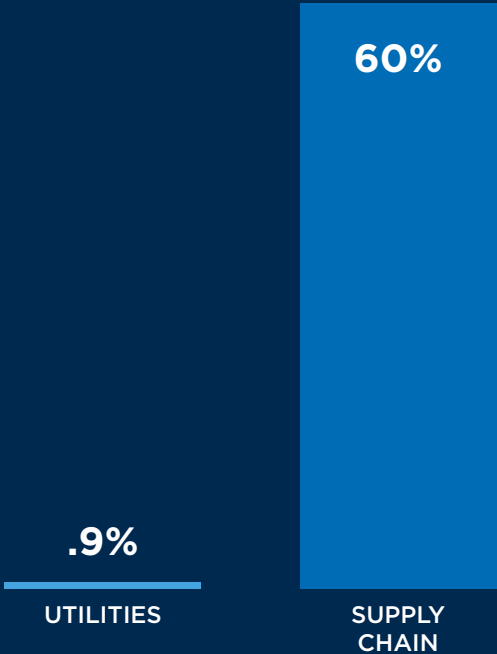
For example, auto manufacturers (OEMs and suppliers) spend .9% of their budgets on utilities. That’s 90 cents for every \$100 of product.

A 10% increase on an auto supplier’s utility costs = 9 cent increase on \$100 of product, or .09%.



AUTO MANUFACTURER’S TOTAL COSTS

Supply chain represents about 60% of total costs, while utilities represent less than 1%.



SUPPLY CHAINS ARE VULNERABLE³

A TYPICAL AUTO PLANT PURCHASES
\$3B
IN PARTS PER YEAR

A typical auto assembly plant purchases \$3 billion worth of parts each year. About half of their parts are imported (20% of those parts come from other continents). Trucks arrive every three to five minutes, nearly 24 hours each day.

TRUCKS ARRIVE EVERY
3-5
MINUTES

If all goes according to schedule, this practice is highly profitable; but, if supplies are disrupted, the plant shuts down. Each hour of down time costs \$1.25 million.

EACH HOUR OF DOWN TIME COSTS
\$1.25
MILLION

Climate change-driven extreme weather events are causing commodity shortages and price swings, disrupting shipments of raw materials and parts, and damaging plants and equipment.



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KEY THEMES FROM FORTUNE 500 WARNINGS ABOUT CLIMATE CHANGE

“JUST IN TIME” EFFICIENCY RAISES CLIMATE RISK

To boost profits, U.S. companies source from across the globe, encourage their suppliers to specialize, and reduce overhead costs with “just in time” inventory.

As our supply chains grow more global, more specialized, and faster, severe weather events grow more expensive.

HIGHER TEMPERATURES AND RISING SEAS ARE STRANDING ASSETS

Ranchers slaughtered herds in Texas, closed ranches and processing plants, and shifted production to the upper Midwest.

New England’s fishing fleets are struggling to survive a drop in their Atlantic cod catch.

Michigan cherries, Iowa soybeans, and Wisconsin dairy are also struggling.

DAMAGE TO THE DEVELOPING WORLD HURTS U.S. COMPANIES

Developing markets face greater climate risk: their populations live in hotter climates and are concentrated in coastal areas with poor infrastructure.

This hurts Fortune 500 companies, because those developing markets are expected to drive their future growth.

WEATHER CAN BE THE DIFFERENCE BETWEEN A GOOD YEAR AND GOING OUT OF BUSINESS

For retailers, restaurants, and the entertainment industry, weather can make or break their year.

Good weather allows golf courses to sell more afternoon rounds and restaurants and sports teams to fill outdoor seating. For low-margin businesses, marginal sales are critical to survival.

SMALL BUSINESSES ARE LESS LIKELY TO SURVIVE SEVERE WEATHER LOSSES

They have smaller cash reserves, are more likely to operate out of a single location, are less likely to have backup systems, and have a harder time relocating.

Small business failures are also bad news for the big companies they supply.



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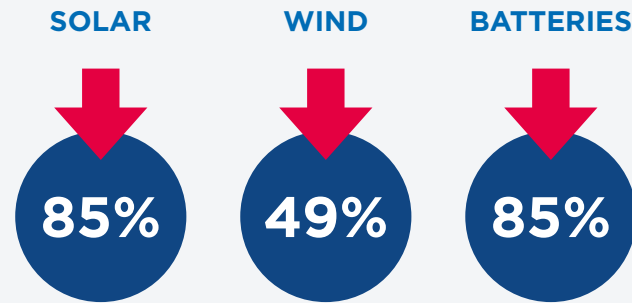
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THE GLOBAL ENERGY RACE IS OVER: RENEWABLE ENERGY WON

INVESTMENT OVER PAST 10 YEARS DROVE PRICES LOWER, WHICH CREATED NEW DEMAND, NEW CAPACITY, AND MORE INVESTMENT⁴

PRICE DECLINES (2010-2019)

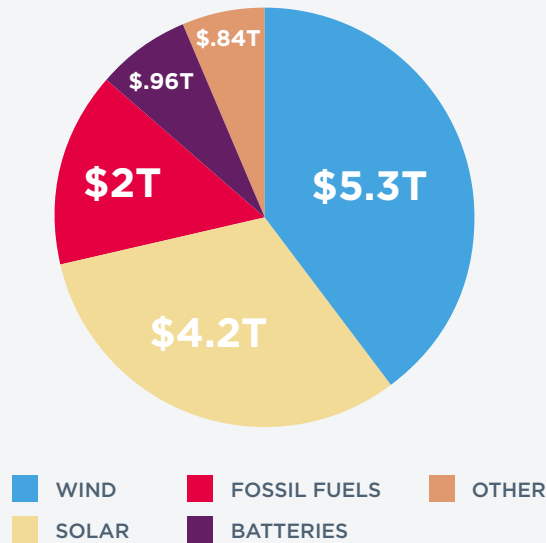


Renewables are more affordable than fossil fuels in two-thirds of the world.

By 2030, they will be more affordable nearly everywhere.

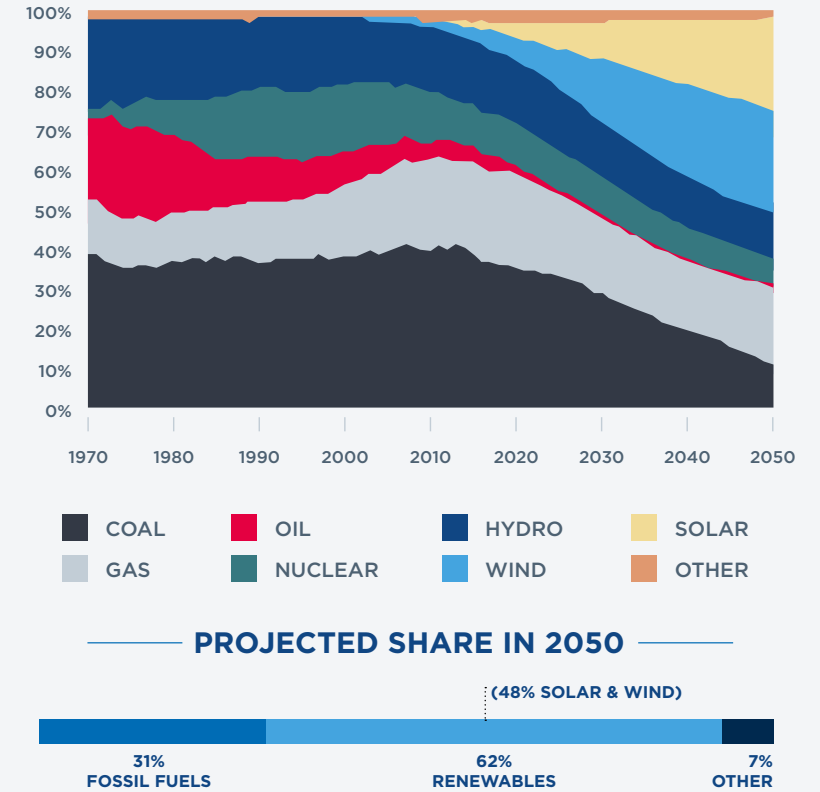
RENEWABLES WILL CAPTURE 77 CENTS OF EVERY NEW ENERGY DOLLAR (2018-2050)⁵

\$13.3 TRILLION IN INVESTMENT FROM 2018 TO 2050



Result: 80% of new power capacity from 2019-2050 will be zero carbon

MARKET SHARE WILL SHIFT DRAMATICALLY⁶



SOURCE: Bloomberg New Energy Finance



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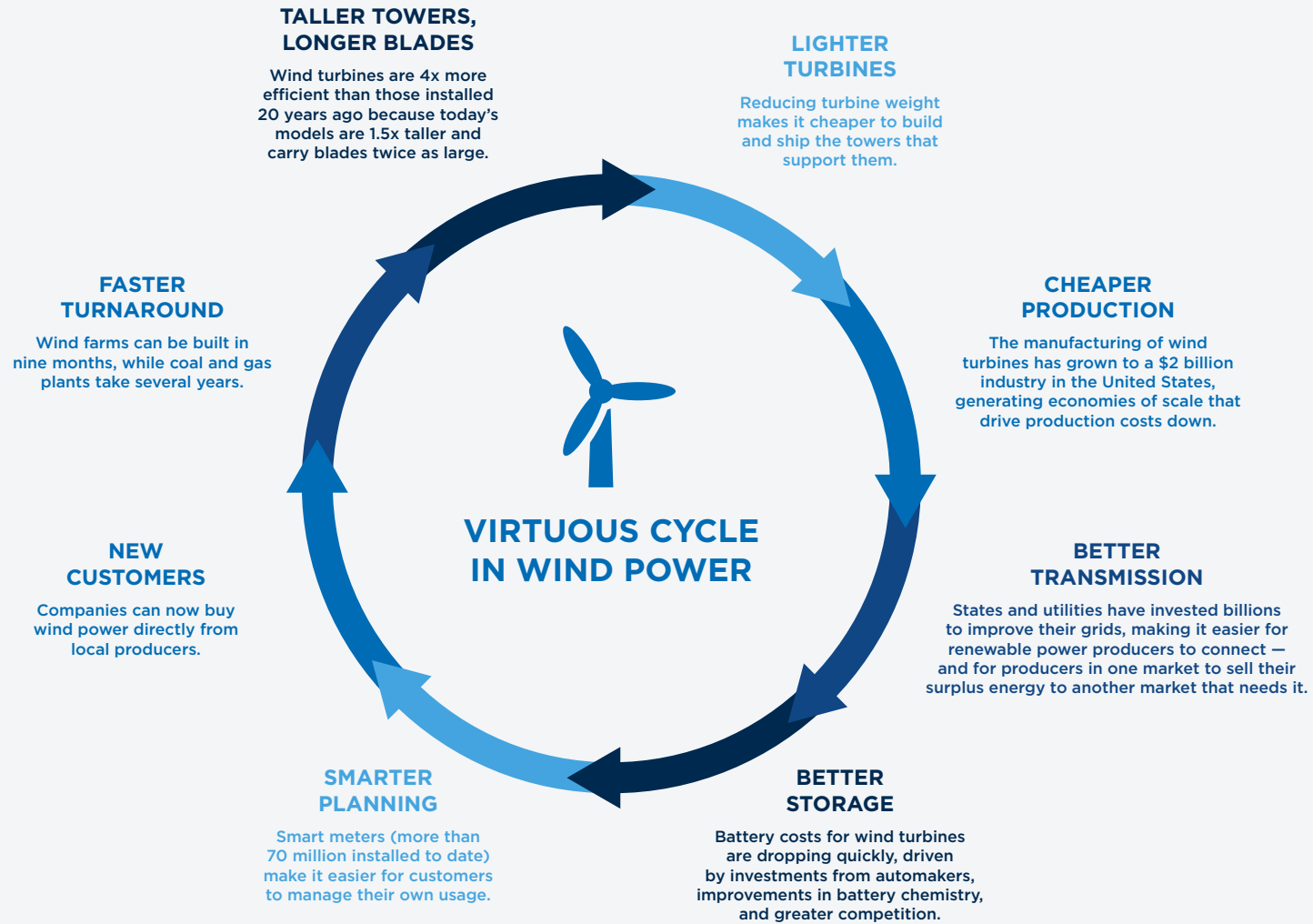
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HOW THE VIRTUOUS CYCLE IN RENEWABLE ENERGY WORKS



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TRUMP'S FIGHTING MARKET FORCES BEYOND HIS CONTROL

INVESTMENTS IN OUTDATED ENERGY⁷

Half of U.S. thermal power capacity will be replaced over the next 12 years, and none of the new plants will burn coal.

Investors worry \$500 billion in new investment for U.S. natural gas plants could be “stranded” by falling solar and wind prices.

AS TRUMP RESISTS, CITIES AND STATES TAKE ACTION

Cities are spending \$47 billion on 240+ climate change remediation projects (like raising coastal highways).⁸

Seven states are committed to switching entirely to zero-emission electricity (CA, HI, ME, NM, NY, NV, WA, plus D.C. and Puerto Rico).⁹

CO, ME, NJ are accelerating switch to zero-emission electricity.

The Regional Greenhouse Gas Initiative will include 11 states by 2021¹⁰ and Pennsylvania recently announced plans to join.¹¹

PA and NY are among the states instituting policies to keep nuclear plants operating.

AS BATTERY PRICES FALL, CAPACITY GROWS 122-FOLD¹²

Cost of lithium ion batteries dropped 85% from 2010 to 2018



Attracting \$662 billion in new investment



This investment will increase battery storage capacity from 9GW in 2018 to 1,095GW in 2040 (a 122-fold increase)



Increasing scale and new investment will cause costs per KW to fall another 50% from 2018 to 2030



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FOR MI, OH, IA, AND WI, RENEWABLES COULD BRING \$58 BILLION IN ENERGY SPENDING HOME

REDISTRIBUTING ENERGY JOBS

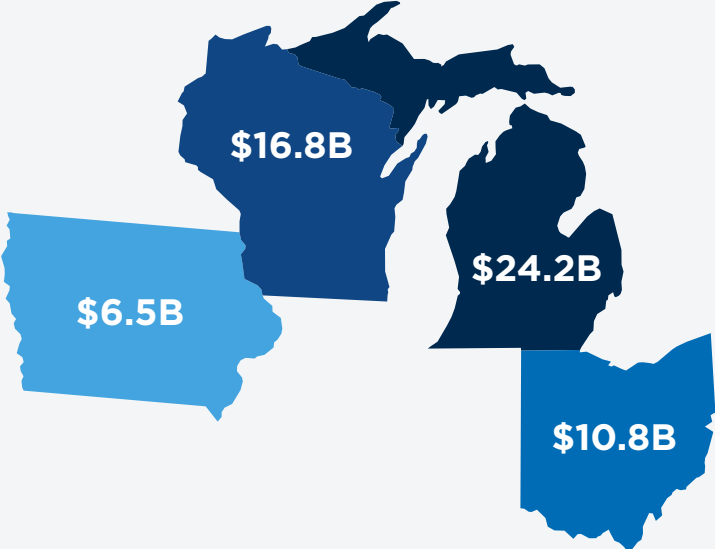
Energy jobs have been centralized in states with oil, gas, and coal reserves.

Renewable energy creates jobs in states that would otherwise import fossil fuels.



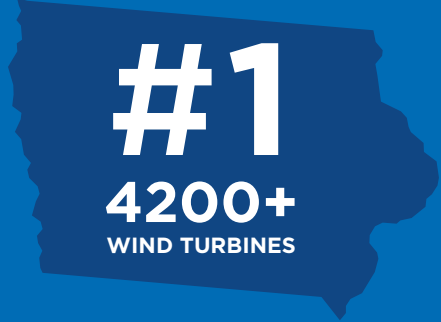
BRINGING ENERGY JOBS TO THE MIDWEST¹³

If MI, OH, IA, and WI moved their energy imports to renewable production at home, tens of billions of dollars would come to the Midwest.



WINNING ON RENEWABLES¹⁴

THE MIDWEST HAS
31%
OF U.S. WIND
CAPACITY



Iowa ranks number one in the country in per capita wind capacity and represents 8 percent of U.S. total capacity.



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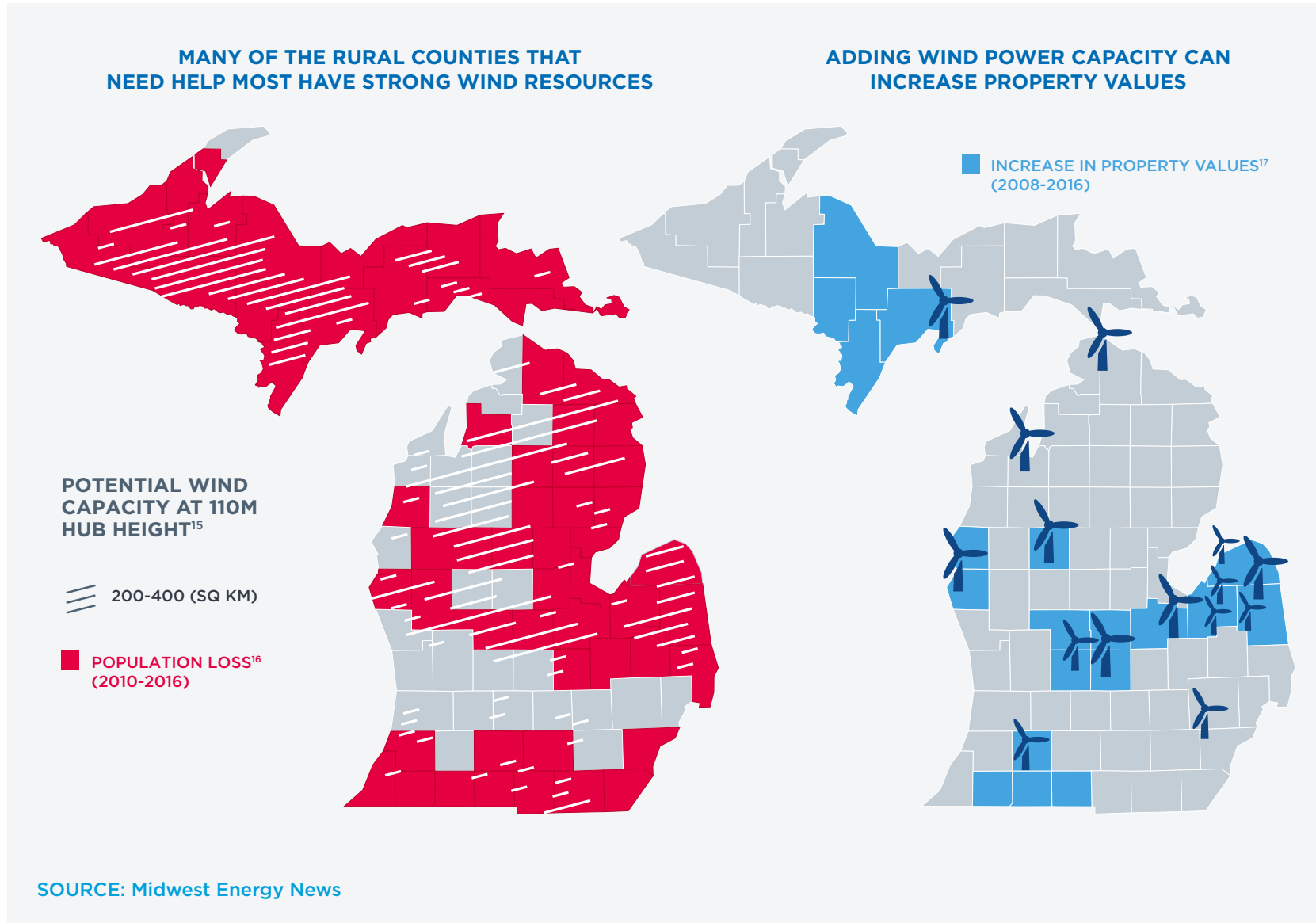
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JOBS WHERE WE NEED THEM



By leasing part of their land to wind power providers, farmers obtain new, stable revenue to complement (often volatile) crop revenue.



Turbines can increase property values, particularly in areas with high foreclosure rates and shrinking populations.



Wind companies pay taxes that fund municipalities struggling with shrinking populations and tax bases.



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WE ARE FALLING BEHIND OUR GLOBAL COMPETITORS

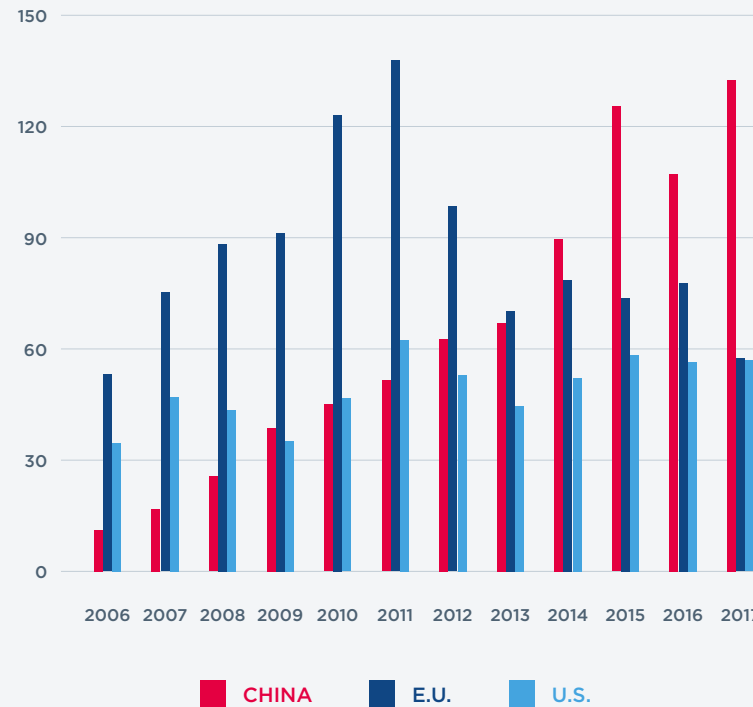
GLOBAL ENERGY DEMAND WILL INCREASE 62% BY 2050¹⁸

Growing population, industrialization, demand for air conditioning caused by higher temperatures, and a shift to electric cars drive strong demand for electricity.



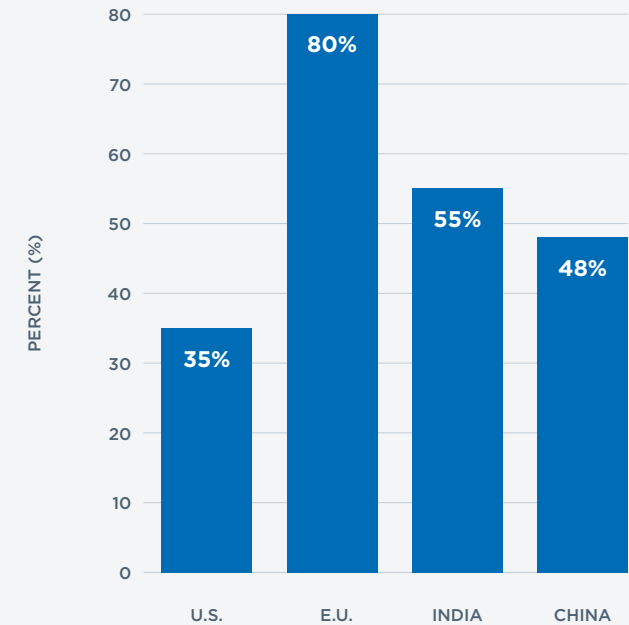
CHINA AND THE EU ARE OUT-INVESTING THE U.S.¹⁹

GLOBAL TRENDS IN RENEWABLE ENERGY INVESTMENT, BY GEOGRAPHY (\$ BILLIONS)



EUROPE WILL LAP U.S. IN SOLAR AND WIND²⁰

SOLAR AND WIND PENETRATION IN 2050



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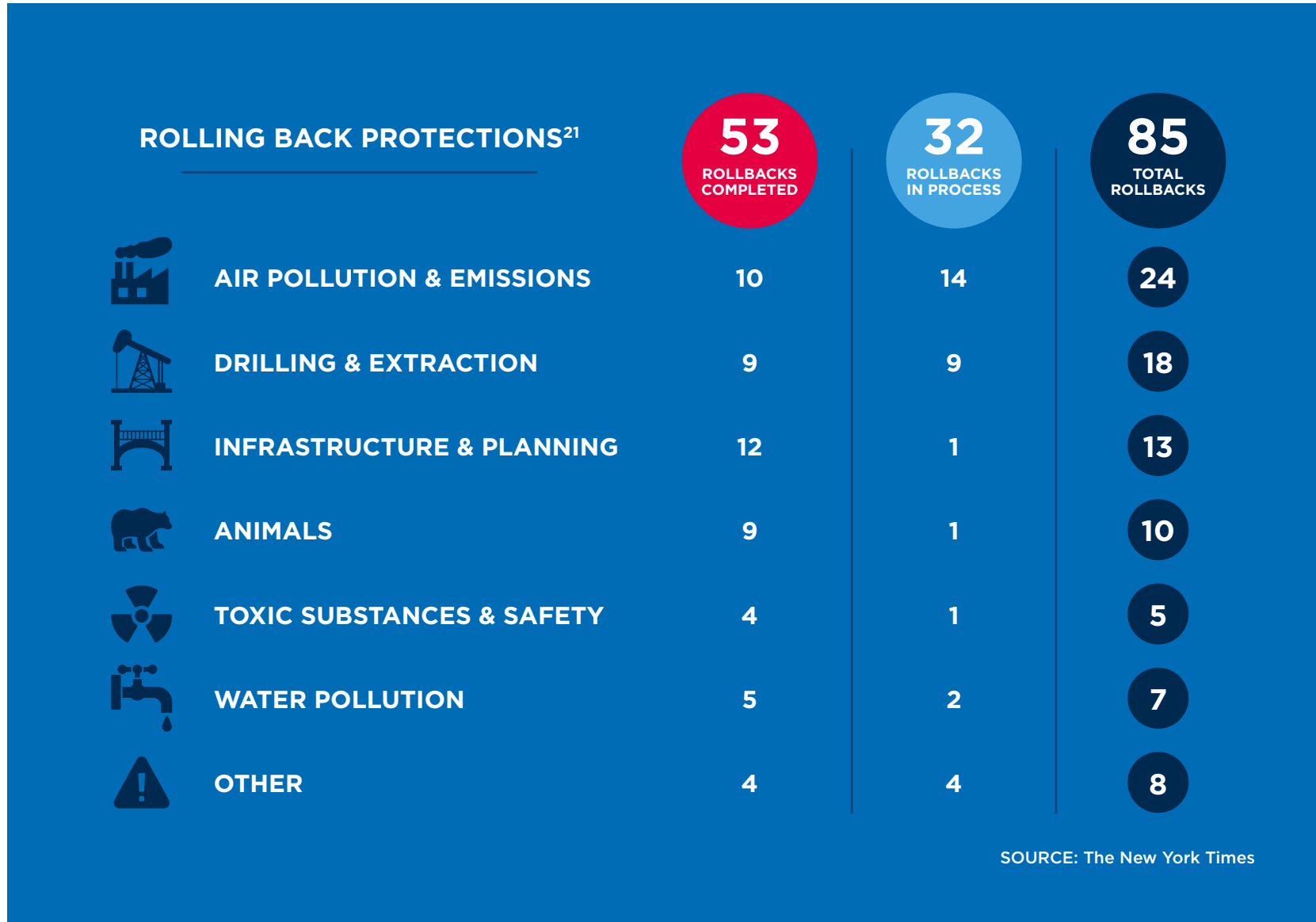
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TRUMP'S ACTIONS ON CLIMATE



OUT OF THE PARIS AGREEMENT

The United States is the only country in the world no longer committed to the Paris Agreement.²²

CUTTING INVESTMENT IN RENEWABLES, BOOSTING DEPENDENCE ON COAL

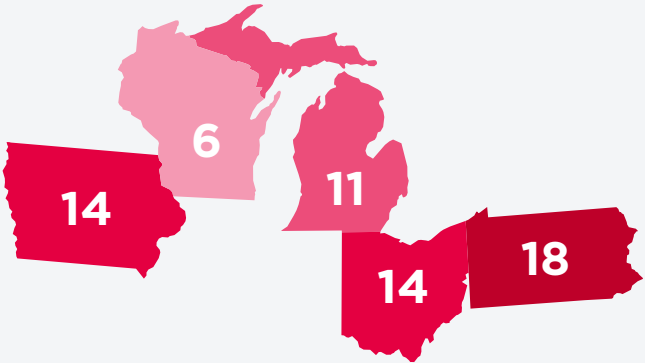
Trump's 2020 budget request cuts funding for renewables by 71 percent.²³

Current subsidies for coal (\$4 billion/year) = \$75,000 per job^{24, 25}

Washington continues subsidizing the declining coal industry, when renewable energy supports more (and better) jobs.

SEVERE WEATHER IS UNDERMINING MANY OF THE MIDWEST'S MOST IMPORTANT COMPETITIVE ADVANTAGES

BILLION-DOLLAR DISASTERS²⁶ (2014-2019)



FORTUNE 500 COMPANIES HEADQUARTERED IN FIVE STATES²⁷

- OH (24)
- PA (20)
- MI (16)
- WI (9)
- IA (2)

OF THE 71 FORTUNE 500
COMPANIES ACROSS
THESE STATES, MORE THAN

80%

HAVE ISSUED SEVERE
WEATHER WARNINGS

THE MIDWEST ECONOMY DEPENDS ON ITS CENTRAL LOCATION, AGRICULTURAL CLIMATE, WATERWAYS, NATURAL RESOURCES, AND INFRASTRUCTURE.

IOWA FARMS AND WISCONSIN DAIRIES

Heat stresses plants and reduces crop yields. With livestock, it hurts milk yield, reproduction, and tolerance to diseases. Climate change is disrupting weather patterns, so rain falls in fewer, stronger bursts. Storms last longer, move farther, and pack more punch. It's also changing the timing and duration of growing seasons.

OHIO'S GROWING E-COMMERCE FULFILLMENT SECTOR

Ohio is an e-commerce powerhouse, in part, because of its 8,000 miles of interstate and 5,338 miles of rails.²⁸ Ohio also has seven commercial airports.²⁹ Ohio's shippers can get to 60% of the U.S. and Canadian population within 24 hours.³⁰ Extreme weather causes delays in shipping and damages critical infrastructure used to ship goods from Ohio to markets across North America.

PENNSYLVANIA INFRASTRUCTURE

Pennsylvania bridges, roads, rail, and power grid are among America's worst. Deficient roadway conditions cost the average Pennsylvania motorist over \$500 in maintenance per year.³¹ Climate change increases the number of freeze-thaw cycles, creating more potholes. Flooding damages bridges and roads. Heat and drought damage Pennsylvania's electrical grid.

GREAT LAKES WATERWAYS AND FISHERIES

Thirty million Americans and Canadians live off the Great Lakes, home of 84% of North America's surface fresh water.³² Climate change is affecting water quality (mostly, algae blooms), which harms fisheries. It's also causing water levels to rise and fall sharply, which harms shipping.



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QUESTION 6: IS AMERICA BETTER OFF GOING IT ALONE?

ANSWER: NO.

**UNDER TRUMP, “AMERICA FIRST” MEANS “AMERICA ALONE,”
WHICH IS BAD FOR BUSINESS.**



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THE ARGUMENT

1 Of our potential customers, 96% live outside the U.S., and they are not amused by Trump’s rhetoric, his policies, or the erratic way he pursues them.

2 Respect for the U.S. has fallen. China and Russia are gaining at our expense.

3 We’ve lost hundreds of billions of dollars in foreign investment and exports, putting millions of U.S. jobs at risk.

4 The “Trump Slump” is particularly bad for America’s companies that innovate and export — which support one in four U.S. jobs.

5 While Trump burns bridges, China builds roads and lays 5G cable.

“

In trade, military and EVERYTHING else, it will be AMERICA FIRST! This will quickly lead to our ultimate goal: MAKE AMERICA GREAT AGAIN!¹

”

- PRESIDENT DONALD TRUMP



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AS THE WORLD'S LARGEST ECONOMY, WE BENEFIT FROM GLOBAL ORDER AND GOODWILL

TO BE #1, YOU MUST ENGAGE THE WORLD



WE'RE 4% OF THE WORLD'S POPULATION²,

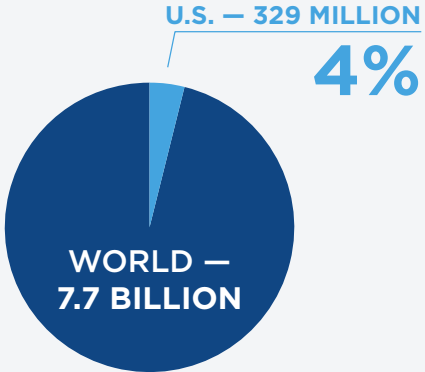


ATTRACTING 20% OF GLOBAL INVESTMENT³,




AND GENERATING 24% OF GLOBAL ECONOMIC OUTPUT.⁴

MOST CONSUMERS LIVE SOMEWHERE ELSE



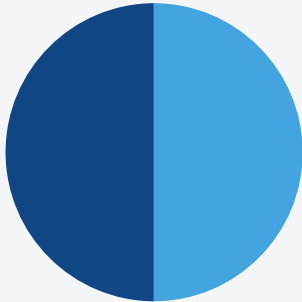
U.S. — 329 MILLION
4%
WORLD — 7.7 BILLION
96%



AND 1 IN 4 OF THEM ARE MUSLIM⁵

FOR U.S. COMPANIES & AMERICAN WORKERS, NEW GROWTH WILL COME FROM ABROAD⁶

By 2025, global consumption will be twice what it was in 2013.



50%
OF GLOBAL ECONOMIC GROWTH THROUGH 2060 WILL COME FROM DEVELOPING COUNTRIES

CHINA GAINS AT OUR EXPENSE

Each year, PwC surveys 1,400 global CEOs about which country is most important to their company's growth.

GLOBAL CEO INTEREST IN U.S. VS. CHINA⁷



Year	U.S.	CHINA
2017	46	33
2018	28	25

PwC explains: "CEOs have dramatically diverted their growth plans from the U.S. Its lead has narrowed dramatically, collapsing the gap between it and the second most attractive market, China..."

2017-2018: Preliminary data from the U.N. Conference on Trade and Development shows that foreign direct investment in the U.S. dropped a further 18% in 2018. Over the same period, FDI grew by 3% in China.⁸



UNDER TRUMP, U.S. IS AT THE KIDS' TABLE ON TRADE DEALS

U.S. LEFT OUT OF WORLD'S BIGGEST DEALS

Our trading partners, reluctant to negotiate with us, are cutting deals among themselves. For example:

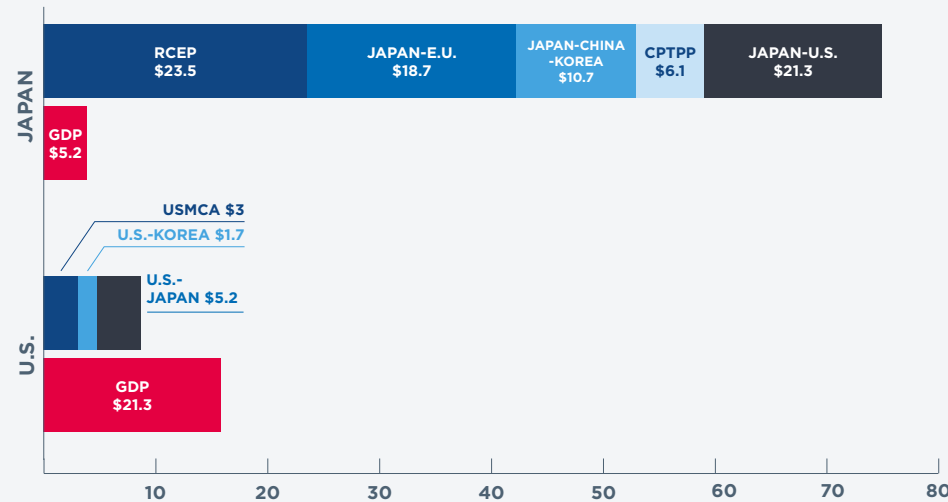
1. When Trump pulled out of the Trans-Pacific Partnership, the other 11 countries signed the deal without us.
2. The EU has struck new deals with Singapore, Vietnam, Canada, and Japan.
3. The Regional Comprehensive Economic Partnership, which could be signed later this year, covers 16 countries (including China) and about 40 percent of the world's economy — but not the U.S.

COMPARISON: JAPAN VS. U.S.

Japan (with a GDP of \$5.2 trillion) is negotiating multi-country trade deals while the U.S. (with a GDP of \$21.3 trillion) is on the sidelines.⁵¹

SIZE OF RECENT AND PENDING TRADE AGREEMENTS

(COMBINED GDP OF TRADING PARTNERS — NOT INCLUDING HOME COUNTRY'S GDP) (IN TRILLIONS, 2019)



CASE STUDY: STEEL, ALUMINUM, AND CARS

Even GOP Senators and Trump's Pentagon Admit Using "National Security" to Break Existing Deals with Allies Is Wrong.

“ Tariffs are taxes on American consumers. They hurt American workers, families, and employers. Imposing them under the false pretense of 'national security' weakens our economy, our credibility with other nations, and invites retaliation.⁵² ”

- PAT TOOMEY
SENATOR (R-PA)

“ The U.S. military requirements for steel and aluminum each represent only about 3% of U.S. production. Therefore, DoD does not believe that the finds in the report... meet national defense requirements.⁵³ ”

- JAMES MATTIS
SECRETARY OF DEFENSE



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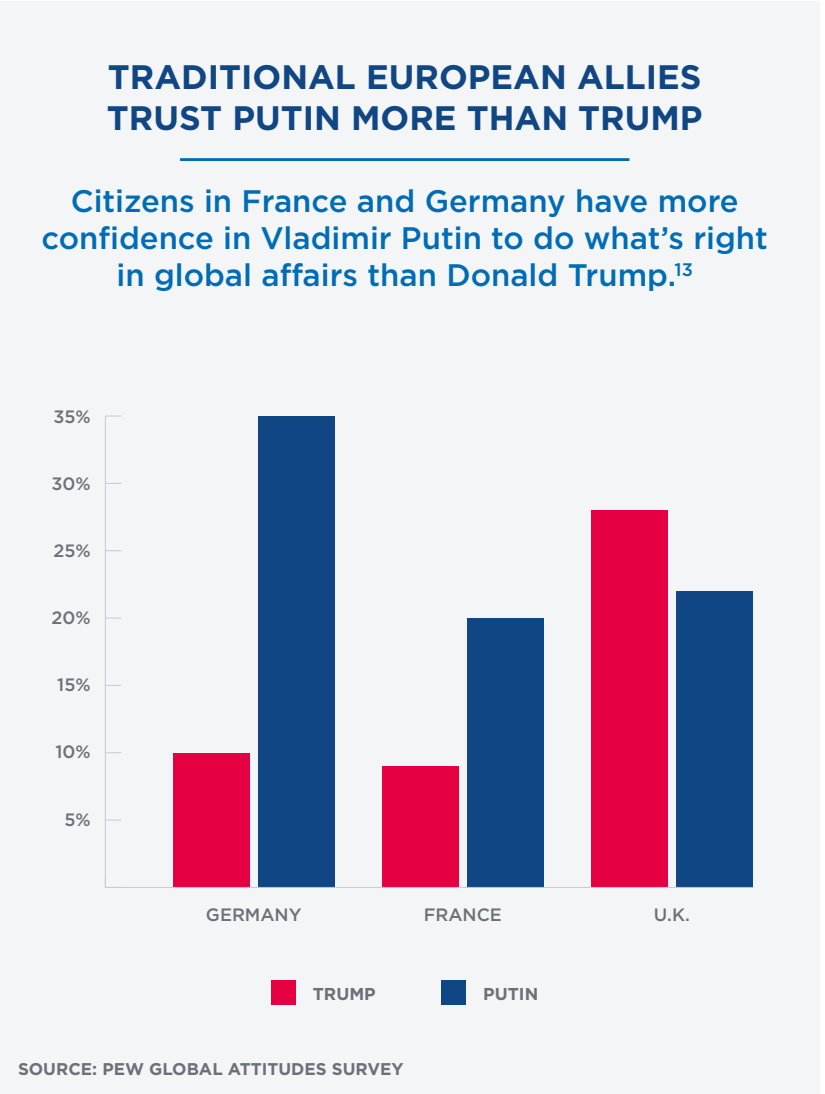
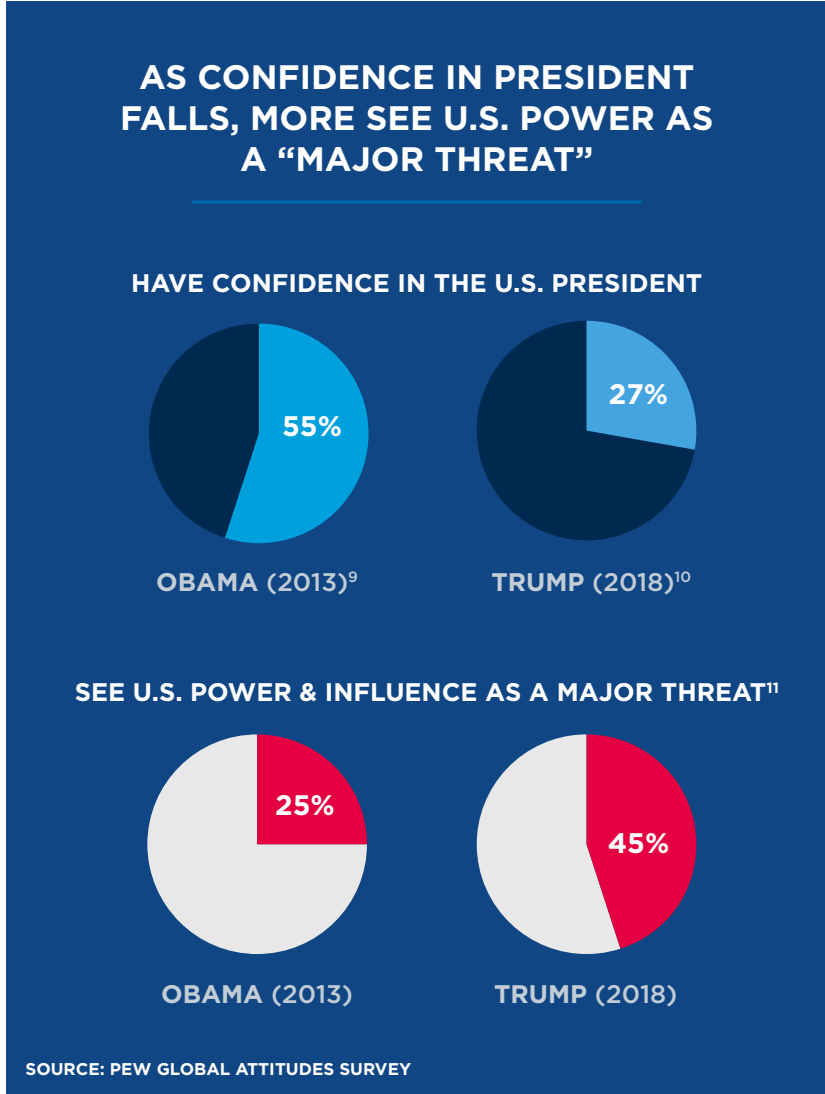
Q7
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AS RESPECT FOR U.S. AND TRUMP PLUMMETS, CHINA AND RUSSIA GAIN



WITH TRUMP, “AMERICA FIRST” MEANS “AMERICA ALONE”

CASE STUDY: LAST YEAR’S G-7 IN QUEBEC

President Trump threatened to stop trading with the rest of the G-7, left early, criticized the host, and withheld U.S. support for the summit communique.

JUNE 2, 2018

G-7 MEMBERS CONDEMN U.S. TRADE ACTIONS¹⁴

THE WALL STREET JOURNAL

JUNE 8, 2018

DONALD TRUMP’S CALL FOR RUSSIA TO REJOIN G-7 JOLTS START OF SUMMIT¹⁵

THE WALL STREET JOURNAL

JUNE 8, 2018

TENSIONS AMONG MEMBERS, ALREADY HIGH AFTER PUBLIC TRADE DISPUTES, LOOM LARGE IN GEOPOLITICAL TALKS¹⁶

THE WALL STREET JOURNAL

JUNE 9, 2018

TRUMP SHOCKS LEADERS WITH TRUDEAU INSULT TO UPEND G-7 SUMMIT¹⁷

Bloomberg

JUNE 10, 2018

U.S.-CANADA TRADE FEUD ESCALATES AFTER FRAUGHT G-7 SUMMIT¹⁸

THE WALL STREET JOURNAL

JUNE 15, 2018

BEHIND THE SCENES AT G-7 MEETINGS, ALLIES DISMAYED BY TRUMP’S JABS¹⁹

THE WALL STREET JOURNAL

JUNE 15, 2018

HOPES FOR COMPROMISE ON TRADE ISSUES DIMMED AFTER THE U.S. PRESIDENT PULLED OUT OF A JOINT STATEMENT²⁰

THE WALL STREET JOURNAL

THE WALL STREET JOURNAL

TRUMP IS LOSING THE TRADE WAR WITH CHINA²¹

JASON FURMAN

AUGUST 19, 2019

“President Trump’s China strategy is failing. His tougher approach has yielded no meaningful Chinese concessions but is increasingly damaging the U.S. economy...

Today China is more integrated with the rest of the world while the U.S. is more isolated...

The administration needs to change its strategy radically. The first step should be to work with, rather than against, U.S. allies...”



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“AMERICA ALONE” IS HURTING U.S. EXPORTS

TRADE DEFICIT INCREASES

U.S. TRADE BALANCE FROM 2016 TO 2018²²

	2016 BALANCE	2018 BALANCE	CHANGE FROM 2016
WORLD TOTAL	-\$503B	-\$627.7B	24.8%
CHINA	-\$308.9B	-\$380.8B	23.3%
E.U.	-\$92.5B	-\$114.6B	23.9%
MEXICO	-\$62.0B	-\$78.6B	26.7%
GERMANY	-\$67.1B	-\$67.4B	0.4%
JAPAN	-\$56.5B	-\$58.0B	2.6%
ITALY	-\$31.2B	-\$35.5B	13.8%
FRANCE	-\$12.4B	-\$13.4B	8.5%

EXPORTS DECREASE



OUR TRADE WAR WITH CHINA COST U.S. AUTO PLANTS \$4.4 BILLION IN EXPORTS TO CHINA IN 2018.

We exported 262,527 new passenger vehicles and light trucks to China in 2017 and only 164,032 in 2018. This equals a drop of 98,495 vehicles or 38%.

At \$45,000/vehicle, that’s \$4.4 billion.²³

Our trade war with China and the EU cost U.S. farmers \$28 billion in exports over the past two years.²⁴



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UNDER TRUMP, \$191 BILLION LESS IN NEW FOREIGN DIRECT INVESTMENT

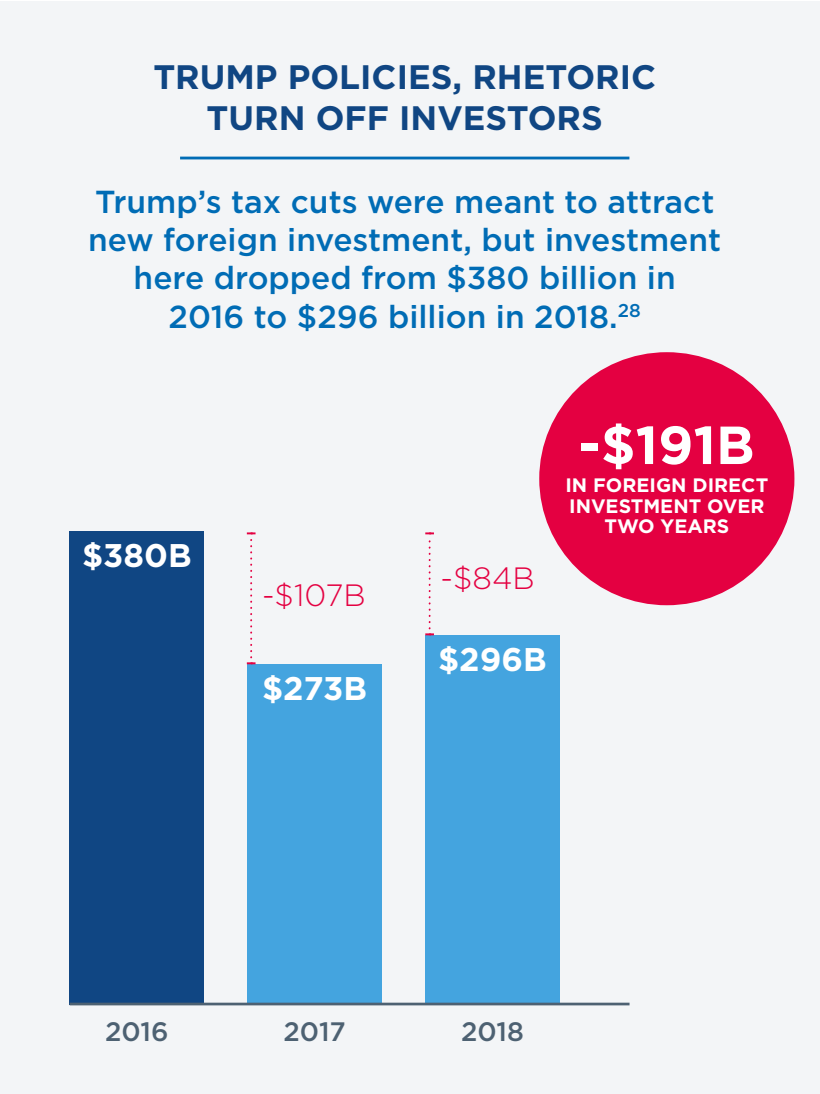
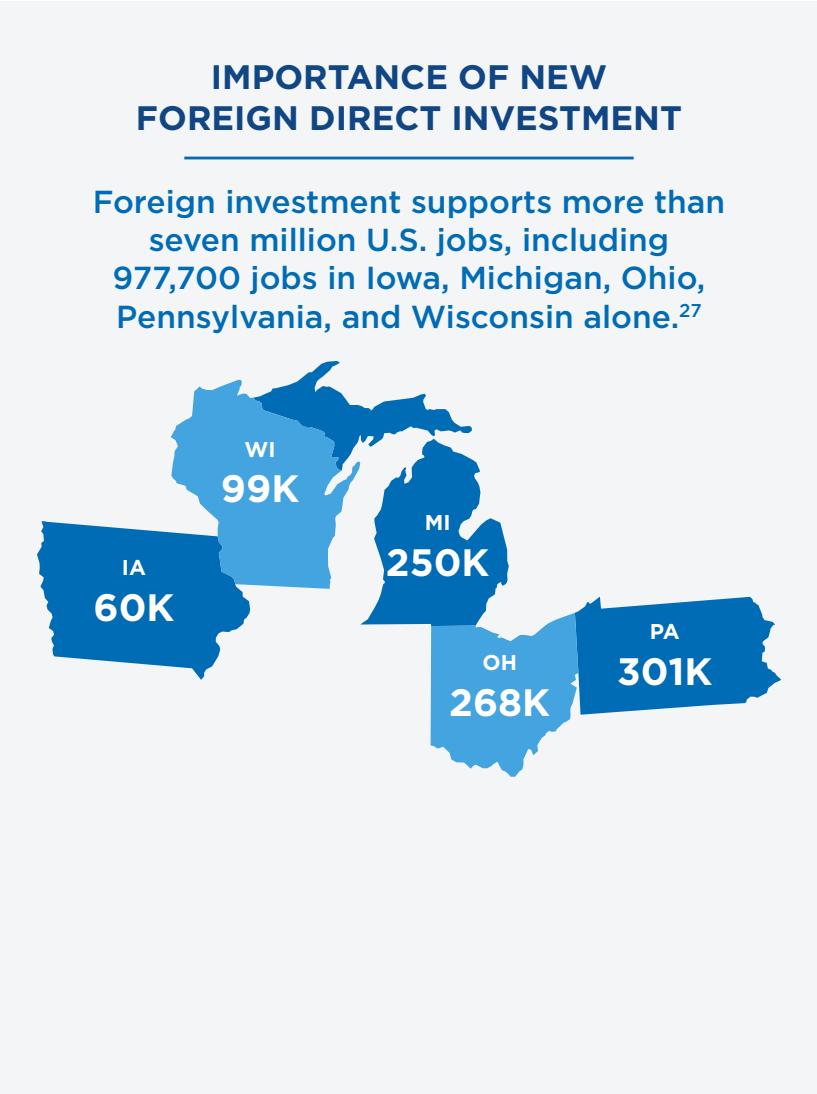
AUGUST 1, 2018

FOREIGN INVESTMENT IN U.S. DROPPING DRAMATICALLY UNDER TRUMP²⁵



JULY 9, 2019
JESSICA DINAPOLI, SOYOUNG KIM

CEOS SOUR ON TRUMP POLICIES, WARN THEY HURT BUSINESS, INVESTMENT²⁶



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UNDER TRUMP, \$59 BILLION LESS IN TOURISM EXPORTS PER YEAR

The global tourism industry is booming, but not in the U.S. Surveys demonstrate that foreigners feel less safe and welcome here. 80% of travel to the U.S. is for pleasure, which means foreigners can switch easily.²⁹

FOREIGN TOURISTS FLYING ELSEWHERE

The recent drop in global tourism cost the U.S.:

59B DOLLARS & **14M** VISITS & **120K** NEW JOBS³⁰

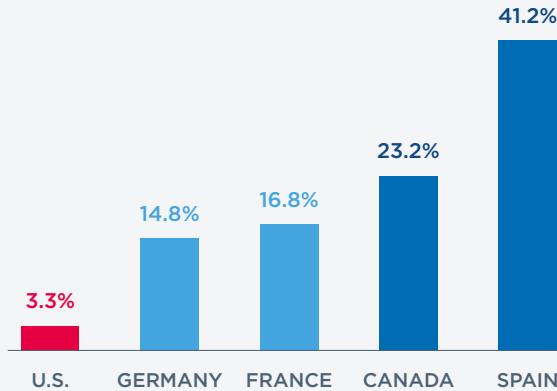
“

This lucrative market is expanding, yet our country continues to fall behind... I'm not exaggerating when I say that millions of American jobs are at risk if this trend continues.³¹

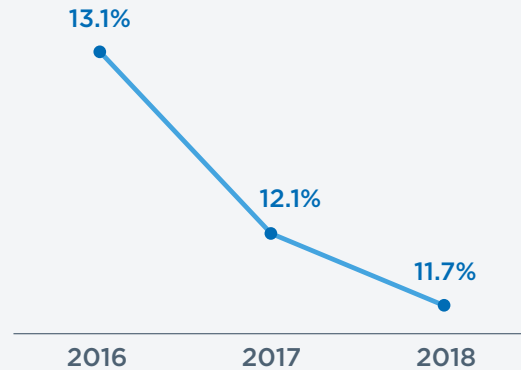
”

- ROGER DOW
PRESIDENT, U.S. TRAVEL

PERCENT INCREASE IN LONG-DISTANCE TRAVELERS HOSTED (2015-2018)³²



U.S. SHARE OF GLOBAL LONG-HAUL TRAVEL³³



“INTERNATIONAL TRAVELERS CITE POLITICS AS FACTOR IN US TRIPS”³⁴

JULY 29, 2018

AP Associated Press

“TRUMP IS PUSHING TRAVELERS NORTH TO CANADA, MARRIOTT CEO SAYS”³⁵

KATIA DMITRIEVA
NOVEMBER 1, 2017

Bloomberg

“DON'T BLAME ALL OF TOURISM'S DECLINE ON TRUMP. JUST MOST.”³⁶

JUSTIN FOX
JANUARY 24, 2018

Bloomberg



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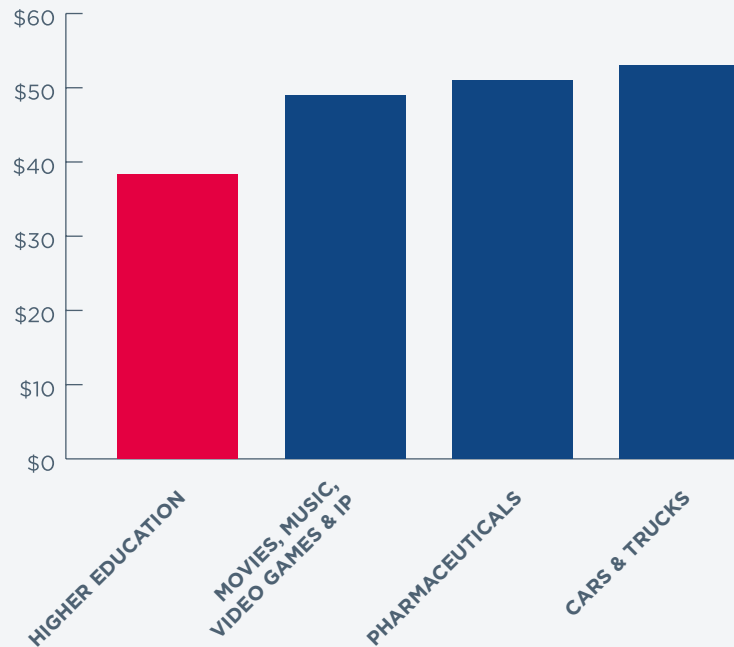
Q10
GENDER GAP

WITH FEWER FOREIGN STUDENTS ATTENDING U.S. COLLEGES, YOUR STUDENT PAYS MORE AND LEARNS LESS

FOREIGN STUDENTS SUPPORT 455,000 U.S. JOBS³⁷

The one million foreign students represent only about 5% of the U.S. student population, but they contribute \$39 billion to our economy.

ANNUAL EXPORT VALUE
(\$ BILLIONS, 2017)



THEY KEEP YOUR KID'S TUITION LOW

Foreign students pay two to three times more for tuition as in-state students. Public universities are recruiting abroad to offset state budget cuts.

THEY AREN'T TAKING YOUR KID'S SEAT

U.S. college enrollment dropped over one million from 2011 to 2018.³⁸ Colleges that cannot fill empty seats with foreign students are raising tuition, eliminating majors, and laying off staff.

NINE OUT OF TEN FOREIGN STUDENTS STUDYING ELSEWHERE CITE POLITICAL CLIMATE, FEELING UNWELCOME³⁹

SOURCE: ASSOCIATION OF NATIONAL EDUCATORS

UNDER TRUMP, NEW FOREIGN STUDENT ENROLLMENT DROPPED 10% — COSTING U.S. \$5.5 BILLION AND 40,000 JOBS.⁴⁰

NEW FOREIGN STUDENT ENROLLMENT



“The current administration’s ‘America First’ mantra is causing [international students] a great deal of anxiety and fear.⁴¹”

- EARL JOHNSON
VICE PRESIDENT, UNIVERSITY OF TULSA

“I’m mind-boggled... Higher education is a place where we have a major trade surplus with the world. Doing something to hurt that is obviously going to make our trade balance worse.⁴²”

- DICK STARTZ
PROFESSOR OF ECONOMICS, UNIVERSITY OF CALIFORNIA, SANTA BARBARA



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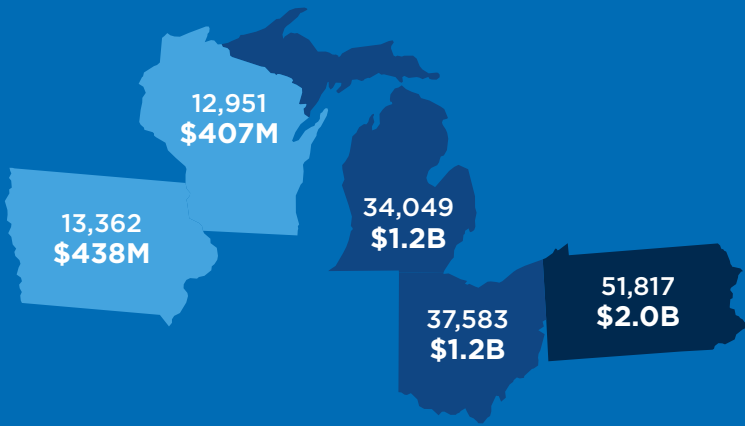
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UNDER TRUMP, MIDWEST COLLEGES AMONG HARDEST HIT

Nearly 150,000 foreign students contribute over \$5.2 billion to the economies of Iowa, Michigan, Ohio, Pennsylvania, and Wisconsin.⁴³



JANUARY 2, 2018
STEPHANIE SAUL

“Schools in the Midwest have been particularly hard hit — many of them non-flagship public universities that had come to rely heavily on tuition from foreign students, who generally pay more than in-state students...”⁴⁴

The New York Times

CASE STUDY: OHIO

FOREIGN STUDENTS CONTRIBUTE \$1.2B AND NEARLY 15,000 JOBS TO OHIO'S ECONOMY.

University of Akron, facing a budget deficit, proposed to increase its marketing and recruitment of foreign students.⁴⁵

At Wright State in 2016, a 22% drop in foreign enrollment (from 1,889 to 1,475) led the school to cut certain academic courses and athletic programs.⁴⁶



Kent State in 2016 saw enrollment of Indian students fall from 1,017 to 265. It lost 1,000 international students in 2017.⁴⁷

At Ohio State, foreign students are 86 percent of graduate computer science students and 81 percent of graduate electrical engineering students.⁴⁸

“Professors require a significant number of graduate students and there are not enough domestic students alone in certain fields.”⁴⁹

- STUART COOPER
PROFESSOR, OHIO STATE UNIVERSITY

“Some of the federal policies and some of the actions they've taken have put the U.S. in a somewhat negative light.”⁵⁰

- DAVE GARCIA
SENIOR ASSOCIATE VICE PRESIDENT,
KENT STATE



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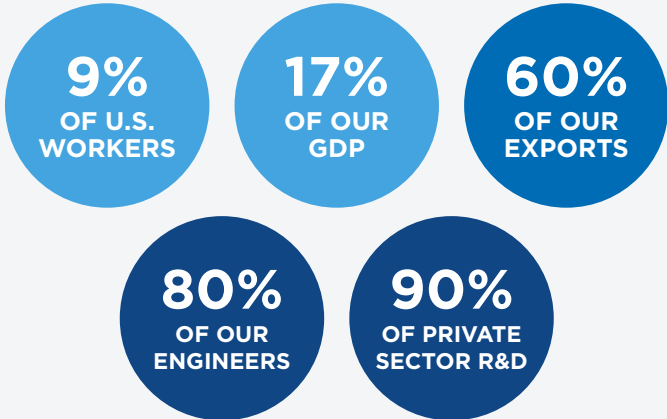
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“TRUMP SLUMP” IS PARTICULARLY BAD FOR AMERICA’S ADVANCED INDUSTRIES

50 “ADVANCED INDUSTRIES” DRIVE U.S. GROWTH⁵⁴

Some industries — like tech automakers, aerospace, oil and gas, and computer software — stand apart because they invest heavily in R&D and innovate constantly. They are the highest achieving companies in our economy.



THEY ALSO DRIVE AMERICA’S ECONOMIC OPPORTUNITY⁵⁵

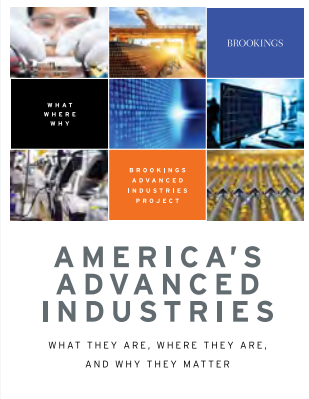
These industries are growing twice as fast and pay twice as much as other sectors, on average. They employ 12.3 million workers and support another 27.1 million jobs.

MOST JOBS DO NOT REQUIRE A COLLEGE DEGREE.

BUT THIS SUCCESS DEPENDS ON EXPORTS, EFFICIENT BORDERS, IP PROTECTION, AND GOODWILL⁵⁶

ADVANCED INDUSTRIES EXPORT \$1.1T

IN U.S. GOODS AND SERVICES EACH YEAR



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WHILE TRUMP BURNS BRIDGES, CHINA BUILDS ROADS AND LAYS 5G CABLE

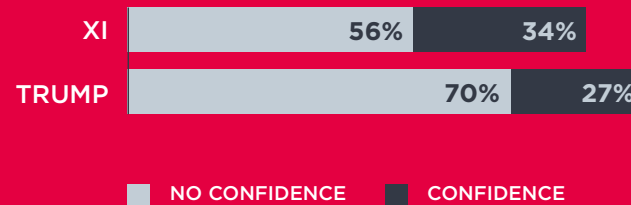
CHINA'S "BELT AND ROAD INITIATIVE" WILL SPEND \$1.2 TRILLION OVER TEN YEARS. IT WILL CONNECT CHINA TO 68 COUNTRIES REPRESENTING TWO-THIRDS OF THE WORLD'S POPULATION.⁶¹

China will spend build a vast network of railways, energy pipelines, ports, highways, 5G networks, border crossings, and 50 special economic zones.⁶²



WORLD TRUSTS CHINA'S XI MORE THAN TRUMP

CONFIDENCE IN LEADER TO "DO THE RIGHT THING" REGARDING WORLD AFFAIRS⁶⁴



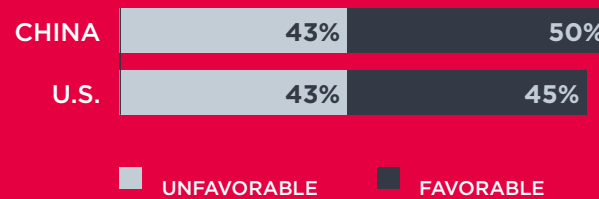
SOURCE: PEW GLOBAL ATTITUDES SURVEY

PENTAGON WARNS CHINA'S 5G NETWORK BUILDOUT COULD COMPROMISE BOTH U.S. MARKET SHARE AND CYBER SECURITY

"This will allow China to selectively grant access to certain 5G companies and products to ride on that infrastructure. This increases the risk of product backdoors and vulnerabilities throughout the supply chain." - Department of Defense⁶⁶

CHINA PULLS AHEAD OF U.S. IN FAVORABILITY

FAVORABLE/UNFAVORABLE VIEWS OF CHINA AND THE U.S.⁶⁵



SOURCE: PEW GLOBAL ATTITUDES SURVEY

AUGUST 8, 2018
SEAN KEANE

CHINA BEATING US IN RACE FOR 5G WIRELESS, ECONOMIC GAINS, SAYS REPORT

"The US has been outspent by \$24 billion since 2015."⁶⁷



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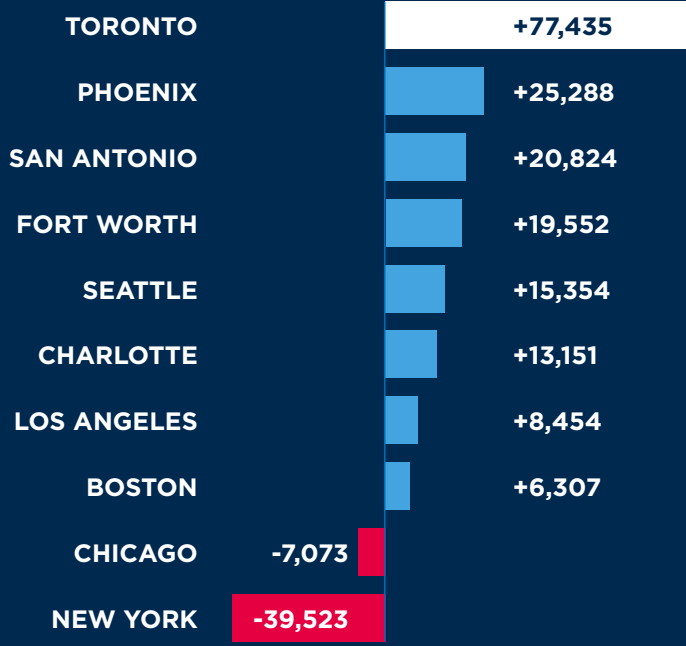
Q9 FUTURE OF WORK

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CASE STUDY: TRUMP POLICIES DRIVE TECH TALENT AND INVESTMENT TO CANADA

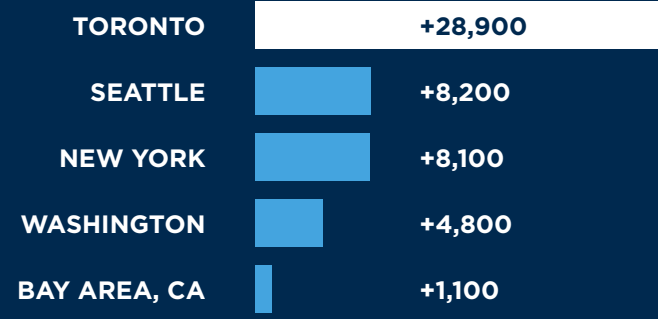
AS U.S. SHUNS FOREIGNERS, CANADA WELCOMES THEM — AND CASHES IN⁵⁷

Toronto ranked #1 for “Population Growth” in North America.



THE IMPACT IS GREATEST IN THE TECH SECTOR⁵⁸

Toronto added 28,900 technology jobs in 2017.



JANUARY 31, 2017
CONNIE LOIZOS

SILICON VALLEY IS MAKING PLANS TO MOVE FOREIGN-BORN WORKERS TO CANADA⁵⁹

TC TechCrunch

JULY 25, 2019
NOAH SMITH

U.S. HANDS CANADA AN OPENING IN TECH

“By making immigrants feel unwelcome, America does a favor for aspiring hubs in Toronto and Vancouver.”⁶⁰

Bloomberg



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QUESTION 7:

ARE WE WINNING THESE TRADE WARS?

ANSWER: NO.

**TRADE WARS TYPICALLY LEAD TO HIGHER PRICES, LAYOFFS, LOST EXPORTS,
AND SLOWER GROWTH. THIS ONE IS WORSE BECAUSE TRUMP'S BURNING OUR
BIGGEST INDUSTRIES TO PROP UP SMALLER ONES.**



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THE ARGUMENT

1 We strike with tariffs on foreign washing machines and steel; our partners retaliate with tariffs on U.S. soybeans, cheese, whisky, wine, cars, trucks, and motorcycles. We escalate; they escalate; and consumers pay the price.

2 Prices rise, exports slow, and investment dries up. That's how trade wars work.

3 With Trump, it's worse. He's burning our biggest exporters — like autos, aerospace, and agriculture — to prop up smaller, weaker ones.

4 Trump argues that the cost of this trade war is acceptable, because it will ultimately force other countries to agree to fundamentally better terms. But he's acted with such bad faith that our trading partners stopped listening. They're cutting deals among themselves, without us.

“When a country is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win. Example, when we are down \$100 billion with a certain country and they get cute, don't trade anymore — we win big. It's easy!”

- PRESIDENT DONALD TRUMP
MARCH 2018



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THE COMPOUNDING EFFECTS OF A TRADE WAR



HIGHER PRICES = LOWER PROFITS, LAYOFFS, LOST GROWTH

The number of consumers harmed outnumbers the workers helped. U.S. businesses paying \$172 billion in new tariffs have a choice: pass the cost onto their customers, accept smaller profits, or lay off workers.²

RETALIATION = COLLATERAL DAMAGE

Our trading partners responded to our tariffs with tariffs of their own, and they're hitting us where it hurts.

ESCALATION = MORE COLLATERAL DAMAGE

We hit their washing machines; they hit our sorghum. We hit their steel mills; they hit our farms, ranches, dairies, and mills. We threaten their autos; they threaten our autos and tech companies — and so on.

UNCERTAINTY = DISLOCATION AND DECLINE

Our tariffs made it more expensive to manufacture here. Retaliatory tariffs are making it more expensive to export from here.

Global companies are shifting investments to markets with lower tariffs and more dependable leadership, threatening long-term growth.

BAD FAITH = FEWER DEALS

President Trump justified some of his tariffs on “national security,” which leaders of his own party call bogus. The whole point was to force trading partners to accept a big deal, but now they are cutting deals without us.



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HIGHER PRICES = LOWER PROFITS, LAYOFFS, AND \$63B IN LOST GROWTH

TARIFFS 101³

A tariff is an excise tax the U.S. government levies on a particular imported good (for example, steel). It is intended to protect a specific industry (U.S. steel mills) from foreign competition. But the protected industry's U.S. customers (auto, aerospace and other manufacturers, plus the consumers who buy products made with steel) end up paying more. When consumers spend more for protected goods, they have less to spend on everything else. This hurts jobs, wages, and economic growth. In August 2019, the Tax Foundation estimated Trump's tariffs will reduce future growth by \$63 billion over the next 10 years.

JUNE 13, 2019
HARRIET TORRY

TRUMP TARIFFS ARE SHORT-TERM PAIN WITHOUT LONG-TERM GAIN, ECONOMISTS SAY⁴

THE WALL STREET JOURNAL

HIGHER PRICES HURT CONSUMERS⁵

“The immediate impact will be to raise prices on consumers...”



“We’re concerned about tariffs because they would increase prices on everyday products for American families.”



HIGHER PRICES HURT MANUFACTURER

“U.S. MANUFACTURING STUMBLES UNDER WEIGHT OF TRADE TENSIONS”⁶

LUCIA MUTIKANI
MAY 8, 2019



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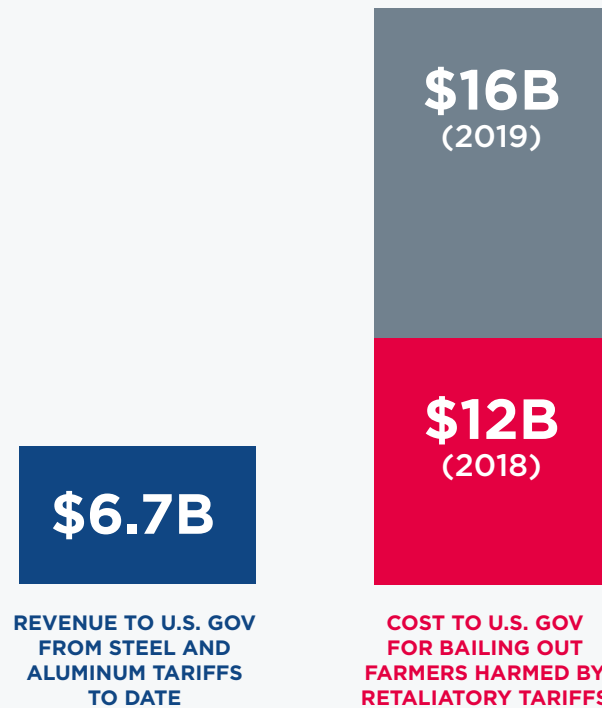
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RETALIATION = COLLATERAL DAMAGE

TRUMP TARIFFS VS. RETALIATORY TARIFFS^{7, 8}

The U.S. government collected \$6.7 billion in steel and aluminum tariff revenue, but it spent more than 4X as much bailing out our farmers hurt by China's retaliatory tariffs.



AGRICULTURE INDUSTRY HIT HARD

China Halts U.S. Agriculture Purchases as Trade War Heats Up⁹

AUGUST 4, 2019

Bloomberg

China's exit from US agriculture is a devastating blow to a struggling sector¹⁰

AUGUST 6, 2019



“

If this Administration isn't careful, decades of efforts by our farmers [to open new global markets] could be wasted.¹¹

”

- VINCE PETERSON
PRESIDENT, U.S. WHEAT

EFFECTS ON THE SOYBEAN INDUSTRY

- Soybeans (\$40B/year) are America's second biggest crop.¹²
- Half our exports go to China.¹³
- In response to our steel and aluminum tariffs, China added a 25% tariff on soybeans.¹⁴

EFFECTS ON THE PORK INDUSTRY

- Mexico and China buy 40% of America's pork exports.¹⁵
- Each has imposed tariffs on pork, effectively closing off the market.



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ESCALATION = MORE COLLATERAL DAMAGE

If you think there's a strategy behind which products are hit, consider how rashly these decisions get made.

CASE STUDY: ONE DAY IN U.S.-CHINA NEGOTIATIONS¹⁶



“TRUMP TO PULL TARIFF TRIGGER AT MIDNIGHT IN TRADE-WAR ESCALATION”



“CHINA VOWS ‘IMMEDIATE’ RETALIATION IF U.S. TARIFFS APPLIED”

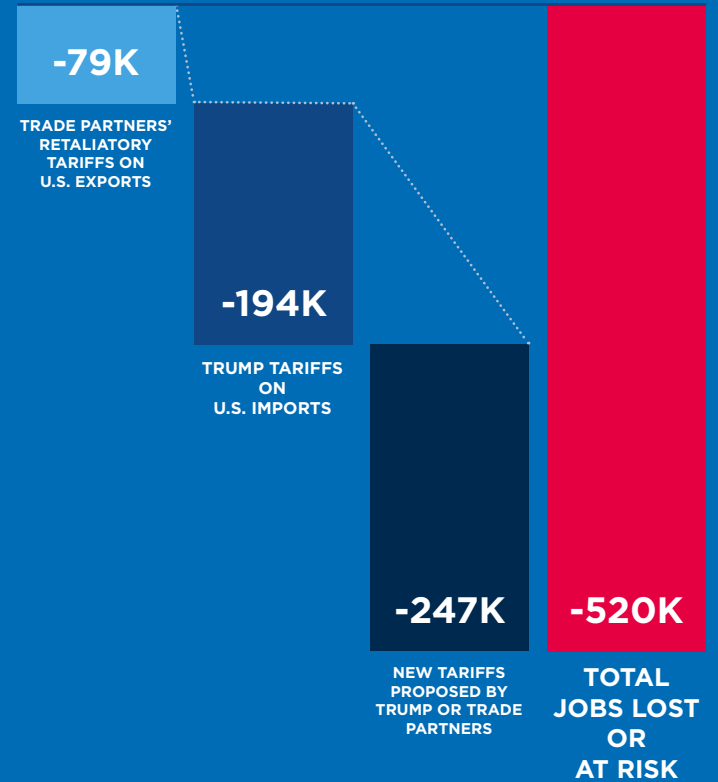


“U.S. PRESIDENT HAS SAID HE’LL UP ANTE IF CHINA RETALIATES”

Bloomberg

JULY 4-5, 2018

LOST OR AT-RISK JOBS DUE TO TARIFFS¹⁷ (TAX FOUNDATION, AUGUST 2019)



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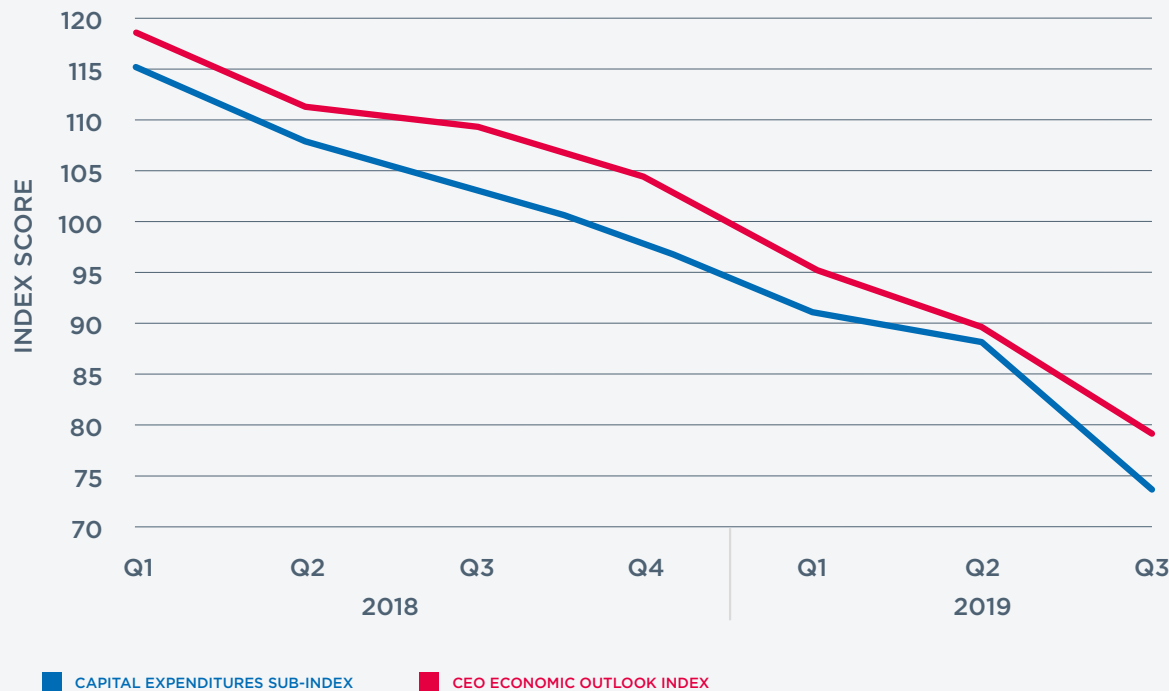
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UNCERTAINTY = DISLOCATION AND DECLINE

TARIFFS HURT LONG-TERM INVESTMENT¹⁸

Surveys by the U.S. Federal Reserve, Business Roundtable, and others have found tariffs cause companies to rethink capital investment in the U.S.

BRT ECONOMIC OUTLOOK INDEX (Q1 2018 - Q2 2019)



CEO ECONOMIC OUTLOOK INDEX (Q2 '19)

"This quarter, CEO plans remained healthy but decreased, likely reflecting unease about the direction of U.S. trade policy and uncertain prospects for global growth."



"US-CHINA TRADE UNCERTAINTY IS 'THE ENEMY OF GROWTH,' OECD WARNS AS IT SLASHES FORECASTS"¹⁹

BY HOLLY ELLYATT
MAY 20, 2019



"A FOREVER TRADE WAR LOOMS AS TRUMP DEEPENS BATTLE WITH CHINA"

"Donald Trump's trade battle with China is starting to look like a forever war — a quagmire with no end in sight, no clear path to a resolution and more potential land mines for an already weakening global economy."²⁰

BY SHAWN DONNAN
AUGUST 5, 2019



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BAD FAITH = FEWER TRADE DEALS

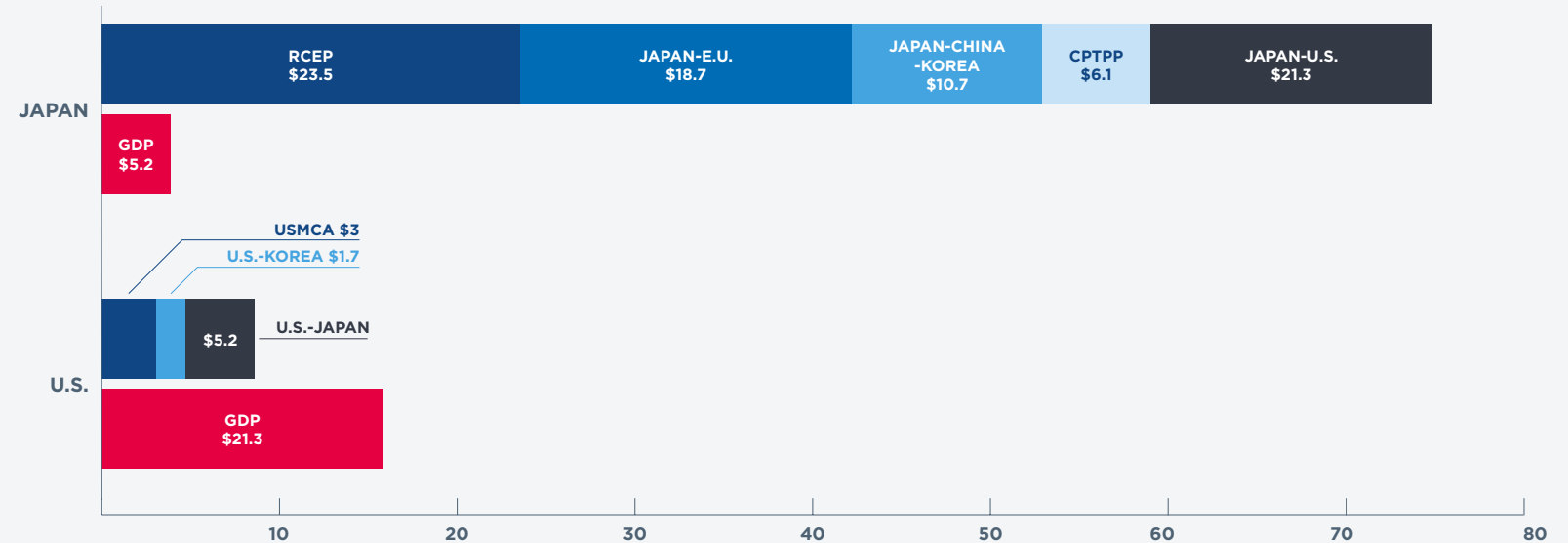


When the U.S. breaks existing deals under false pretenses, walks away from multilateral agreements, and insults foreign leaders, trading partners grow reluctant to negotiate. These days, they're doing deals without us.

When Trump pulled out of the Trans-Pacific Partnership, the other 11 countries signed the deal without us. The EU has struck new deals with Singapore, Vietnam, Canada, and Japan. China's Regional Economic Partnership, which could be signed this year, covers 40% of the world's economy — but not the U.S.²¹

CASE STUDY: U.S. AT THE KIDS' TABLE WHILE JAPAN CLEANS UP

SIZE OF RECENT AND PENDING TRADE AGREEMENTS²²
(COMBINED GDP OF TRADING PARTNERS — NOT INCLUDING HOME COUNTRY'S GDP)
(IN TRILLIONS, 2019)



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IMMIGRATION

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Q6
GLOBAL LEADERSHIP

Q7
TRADE

Q8
SMALL BUSINESS

Q9
FUTURE OF WORK

Q10
GENDER GAP

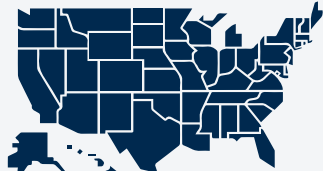
THE RIGHT WAY TO FIX TRADE

There is a better way to do trade deals. Former senior State Department officials Jake Sullivan, Jennifer Harris, and Daniel Baer define four principles that should guide our approach.²³



EMBRACE WRITING THE RULES

We are good at writing trade rules and should embrace the opportunity to create a level playing field for all trading nations.



EXPAND DEFINITION OF AMERICAN INTERESTS

We should assess the impact of potential trade agreements on workers, consumers, and each of the 50 states in addition to the traditional GDP growth analysis.



ENSURE BETTER ENFORCEMENT

Trade deals must have teeth or they are not worth pursuing. New trade deals must include a plan to ensure enforcement.



INCLUDE A LARGER PACKAGE FOR WORKERS

Trade deals need to be coupled with measures that will strengthen wages, benefits, and skills for American workers.



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Q10 GENDER GAP

IOWA CASE STUDY: TRUMP TRADE WARS COULD COST IOWA FARMERS OVER \$2 BILLION

IOWA'S AGRICULTURAL EXPORTS²⁴

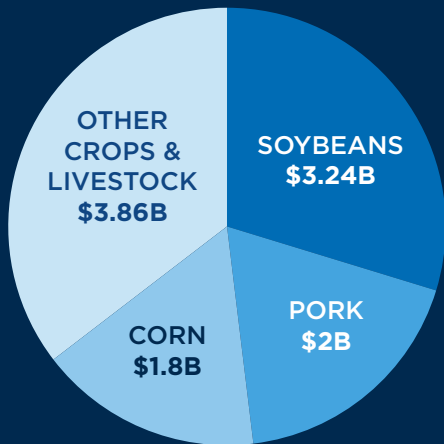
#1

in the exports of pork and soybeans in the U.S.

#2

highest nominal value of agricultural products.

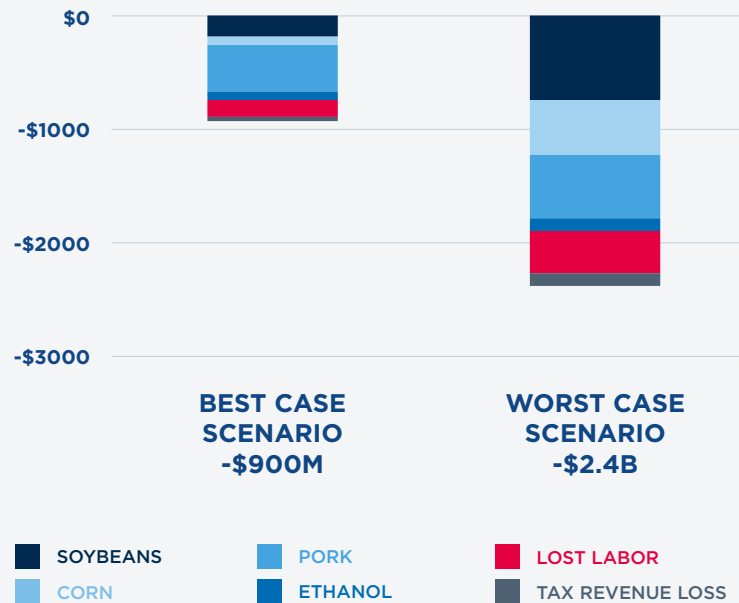
AGRICULTURAL INDUSTRY EXPORT BREAKDOWN, 2016
(MILLIONS OF DOLLARS)



TARIFFS HURT IOWAN FARMERS

In September 2018, Iowa State University conducted a study on the trade war's impact on Iowa. It found that tariffs could cost Iowans up to \$2.4 billion dollars in the near term.

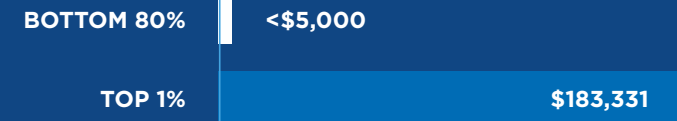
IOWA ECONOMIC LOSSES DUE TO TARIFFS²⁵
(MILLIONS OF DOLLARS)



GOVERNMENT BAILOUTS DISPROPORTIONATELY HELP WEALTHY FARMERS

The Trump administration announced two packages of agricultural assistance since the trade war started. Loopholes have allowed the richest farmers, business partners, and investors that have little contact with farms to collect far more assistance than smaller farm owners.

AVERAGE ASSISTANCE AWARDED²⁶



“ They’re getting richer off the backs of taxpayers while young and beginning farmers are priced out of the profession. This needs to end. The Department of Agriculture needs to reevaluate its rules for awarding federal funds...²⁷ ”

- SEN. CHUCK GRASSLEY (R-IA)



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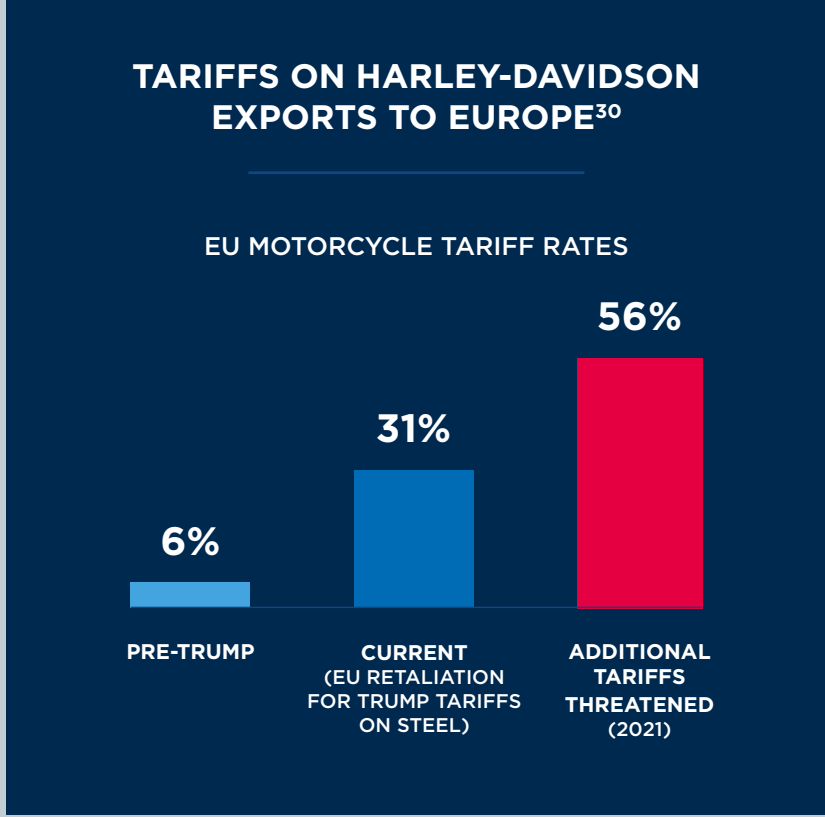
Q9 FUTURE OF WORK

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WISCONSIN CASE STUDY: TARIFFS PRICE HARLEY-DAVIDSON OUT OF EU, CHINA MARKETS

Harley-Davidson is a \$6 billion motorcycle manufacturer headquartered in Milwaukee with plants across the U.S.²⁸ Trump’s trade war has hurt them in two ways. First, when Trump raised tariffs on imported steel, it made it more expensive for Harley-Davidson to produce motorcycles here in the U.S. Second, when the EU and China retaliated against Trump’s steel tariffs by adding 25% tariffs on U.S. motorcycles, it made it harder for Harley-Davidson to export its motorcycles to those markets. Harley-Davidson estimates current U.S. and retaliatory tariffs could cost about \$2,200 per bike.

Threatened tariff increases (up to 56%) would shut the company out of markets altogether. To avoid higher prices on imported steel and tariffs from the EU and China, Harley-Davidson shifted production from the U.S. to Thailand and the EU.²⁹



“ONCE A TRUMP FAVORITE, HARLEY NOW FEELS THE PINCH FROM TRADE WAR”

“Citing tariffs tied to escalating tension between Trump and the European Union, the iconic motorcycle maker will further retrench its U.S. operations. Bikes destined for the EU were made less viable by levies that’ll boost costs for the company by about \$100 million a year.”³¹

BY GABRIELLE COPPOLA
JUNE 25, 2019

Bloomberg

APRIL 24, 2019
SHUJI NAKAYAMA

HARLEY-DAVIDSON SHIFTS BASE FOR CHINA EXPORTS TO THAILAND

NIKKEI ASIAN REVIEW

“ We plan to supply China from Thailand by the end of the year.³² ”

- MATT LEVATICH
CEO, HARLEY-DAVIDSON
EARNINGS CALL, 04.23.19

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QUESTION 8:

WHAT'S HOLDING BACK OUR SMALL BUSINESSES?

ANSWER:

FINDING A FAIR LOAN AND MANAGING COLLEGE DEBT.



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THE ARGUMENT

1 Small businesses employ about half of America's workers. They generate most of our new jobs and train most of our first-time workers.

2 But the U.S. is creating fewer new small businesses than we used to, particularly in rural areas. This hurts competition, wage growth, and economic mobility.

3 To encourage small business creation, we need to help them raise capital and manage their debt. Twenty-three million small businesses run on the owner's credit card and savings, which means they operate more like consumers than big businesses.

4 Big banks are getting out of the small business market, and "fintech" lenders are stepping in.

5 We need to protect small businesses from predatory lenders.

“

I will be the greatest job producer God has ever created.¹

”

- PRESIDENT DONALD TRUMP



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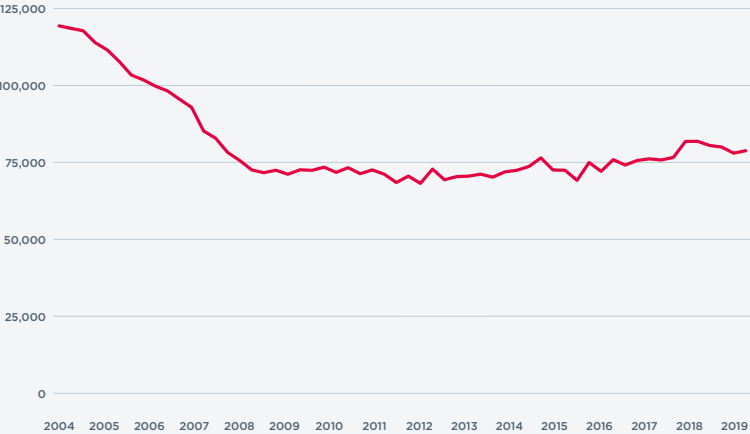
Q10
GENDER GAP

STAGNATION IN NEW BUSINESS GENERATION IS BAD FOR GROWTH, WAGES, AND ECONOMIC MOBILITY

AFTER 10+ YEARS OF ECONOMIC RECOVERY, NEW BUSINESS FORMATION REMAINS FLAT²

New business formation declined rapidly from 2005-2009 amid the Great Recession. Despite America's economic rebound in the past 10 years, business formation has remained stagnant.

NEW BUSINESS FORMATION

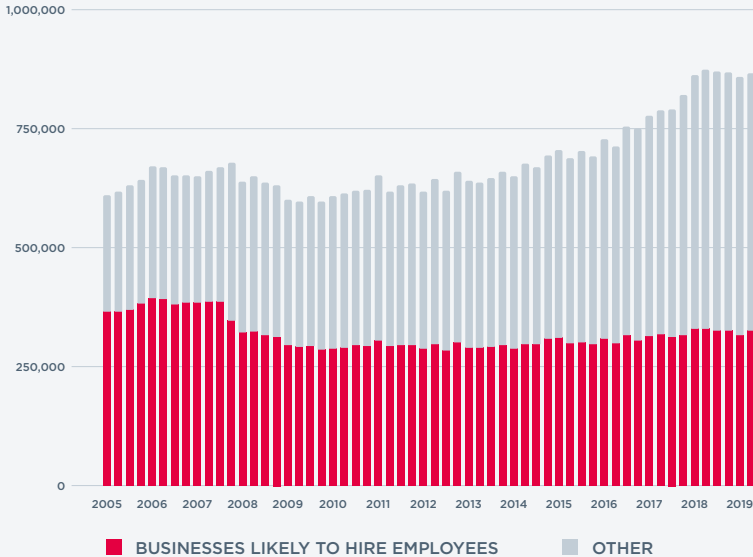


DATA FROM 2016-PRESENT ARE BASED ON CENSUS ESTIMATES OF THE LIKELIHOOD THAT A BUSINESS APPLICATION TURNS INTO AN EMPLOYER BUSINESS.

APPLICATIONS FOR BUSINESSES LIKELY TO HIRE EMPLOYEES ALSO REMAIN LOW³

Despite an uptick in the applications for new businesses in general, applications for businesses that are likely to hire paid employees remain low. New businesses that hire employees create additional economic value.

NEW BUSINESS APPLICATIONS



CORPORATIONS HAVE BENEFITED FROM THE ECONOMIC RECOVERY; SMALL BUSINESSES HAVEN'T

What you see is reduced social and economic mobility... It means that most of the growth is occurring in the corporate sphere, which keeps wage growth down and improves profits.⁴

- STEVE STRONGIN
HEAD OF GLOBAL INVESTMENT RESEARCH
GOLDMAN SACHS



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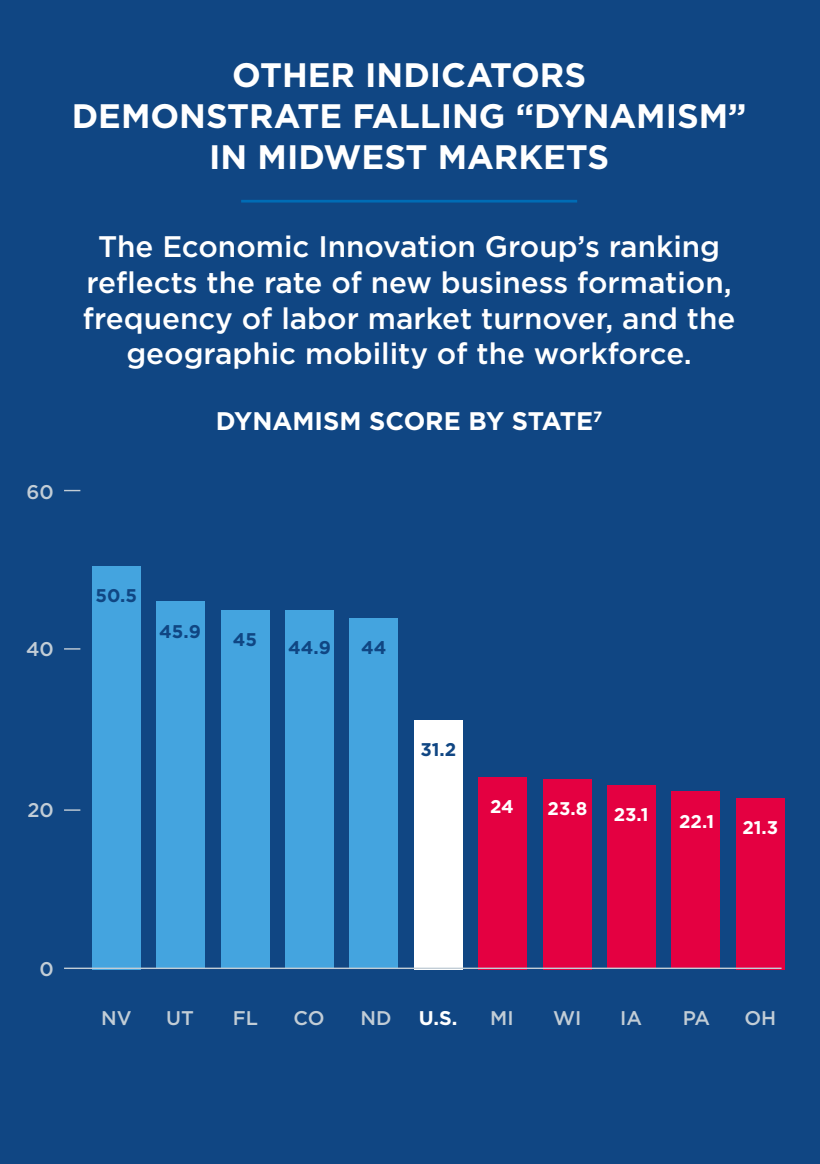
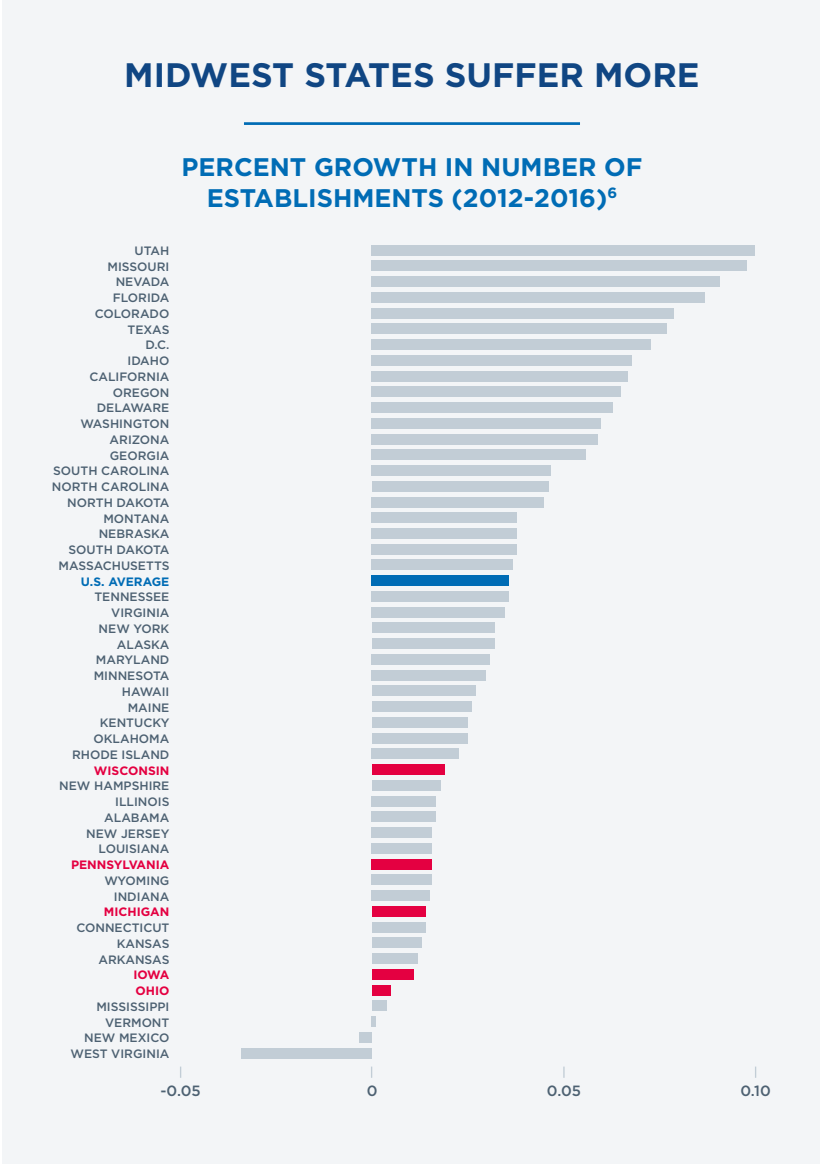
Q9 FUTURE OF WORK

Q10 GENDER GAP

SMALL BUSINESS GROWTH IS PARTICULARLY BAD IN THE MIDWEST

“ New firms are the ‘creative’ part of creative destruction... [They] replace dying industries, foster competition with incumbent companies, and produce new, higher wage jobs. When they disappear, the cycle of creative destruction falls out of balance.⁵ ”

- ECONOMIC INNOVATION GROUP



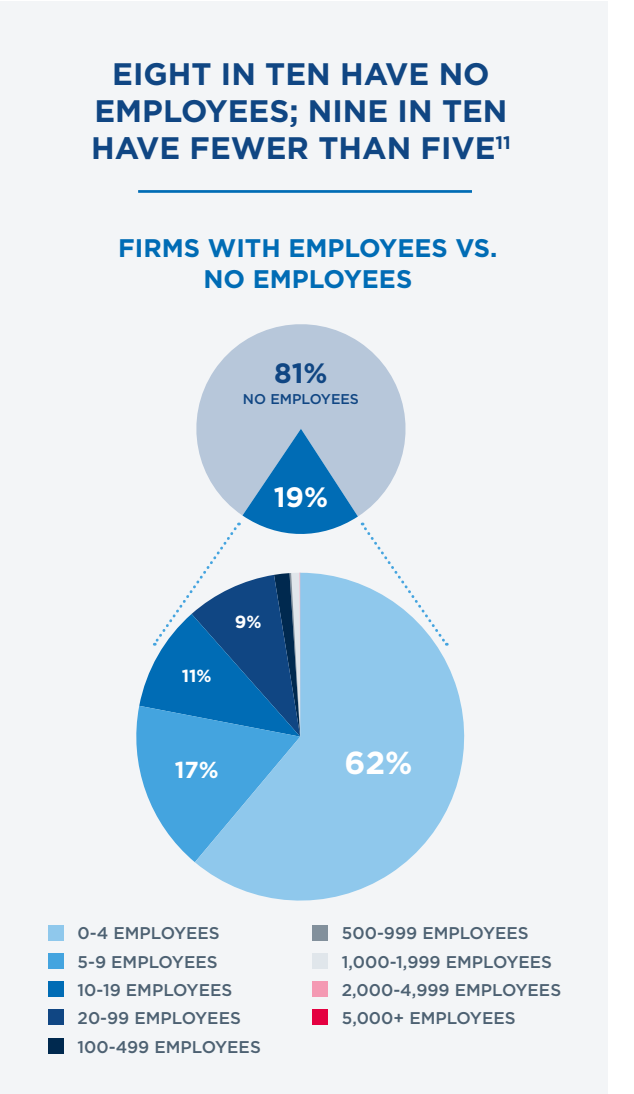
SMALL BUSINESSES ARE SMALLER, MORE VULNERABLE THAN MOST PEOPLE THINK

AMERICA'S 32 MILLION SMALL BUSINESSES...

EMPLOY NEARLY
50%
OF THE PRIVATE SECTOR⁸

CREATED
67%
OF NET NEW JOBS SINCE 2000⁹

CREATE
33%
OF U.S. EXPORT VALUE¹⁰



IN TERMS OF REVENUE, MOST SMALL BUSINESSES LOOK MORE LIKE FAMILIES THAN BIG COMPANIES

MEDIAN HOUSEHOLD INCOME¹²
\$63,179

MEDIAN INCOME FOR SMALL BUSINESS WITH FIVE OR FEWER WORKERS¹³
\$95,512

MEDIAN REVENUE OF FORTUNE 100 COMPANIES¹⁴
\$61.6B

1/5
NEW BUSINESSES FAIL IN YEAR ONE¹⁵

1/2
NEW BUSINESSES FAIL BY YEAR FIVE¹⁶

80% OF MICRO-BUSINESSES RELY ON PERSONAL FUNDS

RAISING CAPITAL IS A MAJOR HURDLE TO SMALL BUSINESS CREATION¹⁷

33%
LACK OF CAPITAL/
CASH FLOW

15% MARKETING/
ADVERTISING

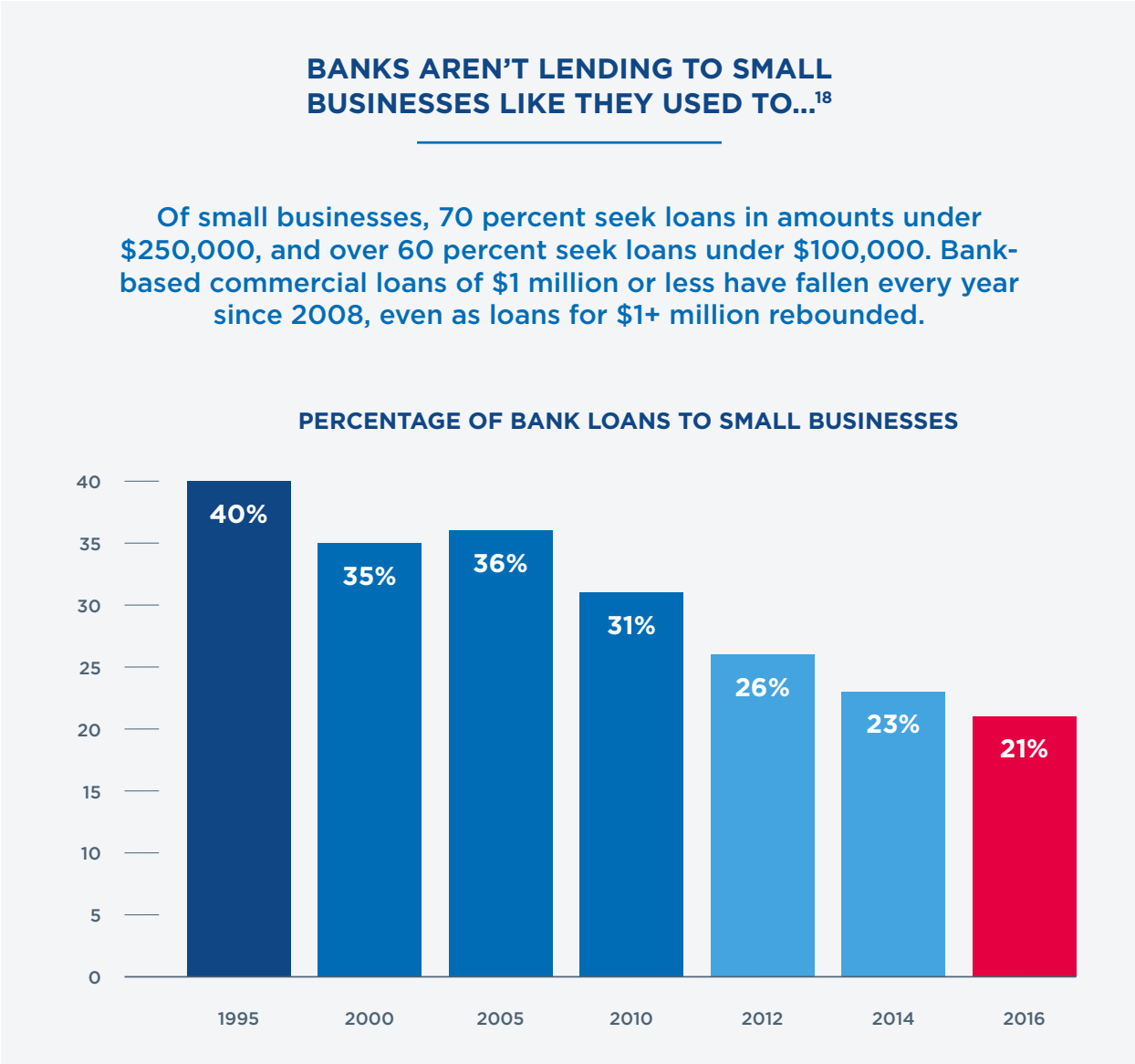
13% ADMINISTRATIVE
WORK

13% RECRUITING/ EMPLOYEE
RETENTION

6% MANAGING/ PROVIDING
BENEFITS

13% TIME MANAGEMENT

6% OTHER



SO SMALL BUSINESS OWNERS RELY ON THEIR PERSONAL FUNDING

4/5 OR **23M**
MICRO-BUSINESSES INDIVIDUALS

USE PERSONAL FUNDS TO ADDRESS FINANCIAL CHALLENGES FOR THEIR BUSINESS.¹⁹

MOST POPULAR FINANCING METHODS²⁰

Financing Method	Percentage
CASH	32%
401(K)	13%
FRIENDS & FAMILY	12%
LINE OF CREDIT	10%
UNSECURED LOAN	9%
SBA LOAN	5%

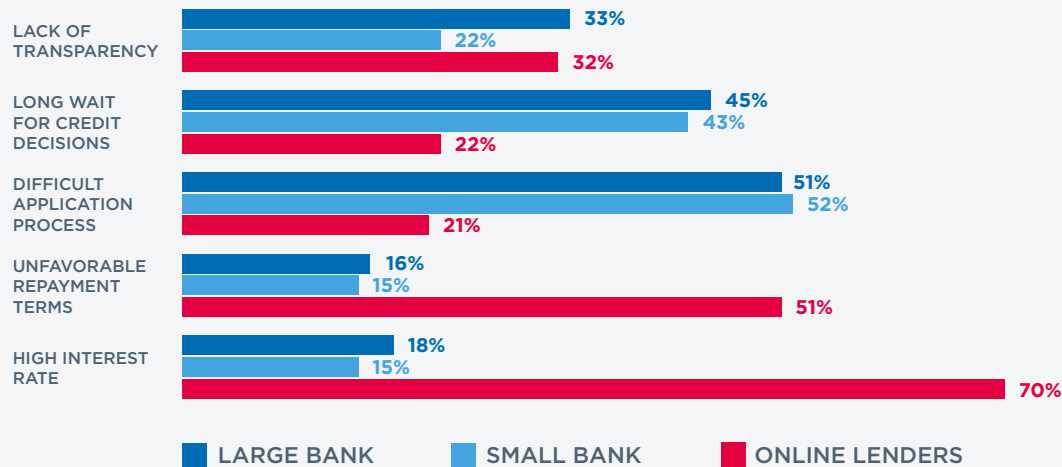
PROTECTING CONSUMERS FROM PREDATORY LENDERS IS GOOD FOR THE ECONOMY; IT'S ALSO GOOD FOR SMALL BUSINESSES

SMALL BUSINESS OWNERS AGREE THAT PREDATORY LENDING IS A PROBLEM



BORROWERS' REASONS FOR DISSATISFACTION BY LENDER TYPE

PERCENT OF EMPLOYER FIRMS DISSATISFIED WITH LENDER²²



FINTECH LENDERS HAVE POTENTIAL TO FILL CRITICAL FUNDING GAP; CAN BE PREDATORY WHEN OPERATING IN REGULATORY VOID

The mismatch in credit demand and supply has created an emerging market of online alternative lenders.

“ [Fintech]...might help increase efficiency in the economy and improve outcomes for small businesses. At the same time, these new lenders sometimes create opportunities for abuse. There are far too often situations in which small businesses are paying extremely high interest rates.²³ ”

- MICHAEL S. BARR
DEAN OF GERALD R. FORD SCHOOL OF PUBLIC POLICY

TRUMP SIDES WITH PREDATORY PAYDAY LENDERS



Dropped lawsuit against four payday lenders, one of which charged up to 950% interest.²⁴

Rescinded rule that lenders establish borrowers' capacity to repay their loans before extending them credit.²⁵



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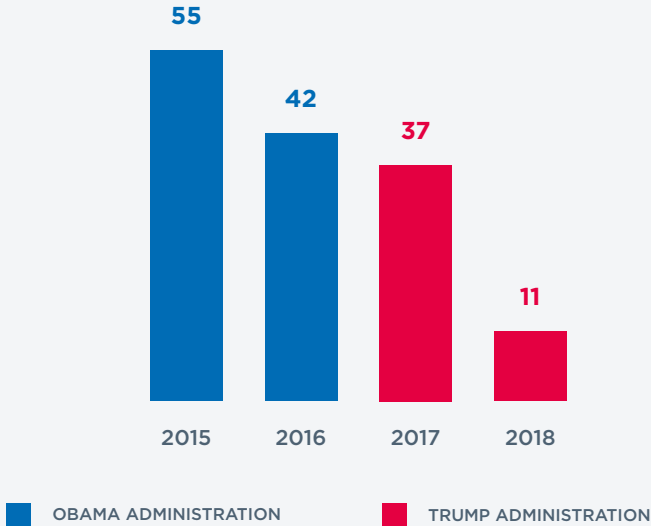
Q9 FUTURE OF WORK

Q10 GENDER GAP

BY GUTTING THE CFPB AND COLLEGE LOAN PROTECTIONS, TRUMP IS HURTING SMALL BUSINESS

THE CONSUMER FINANCIAL PROTECTION BUREAU WAS ESTABLISHED TO HOLD FINANCIAL SERVICE PROVIDERS ACCOUNTABLE²⁷

PUBLIC CFPB ENFORCEMENT CASES



THE CFPB UNDER TRUMP HAS ANNOUNCED ZERO CASES ENFORCING STUDENT LENDING PROTECTIONS²⁹

AMOUNT OF CONSUMER RELIEF IN STUDENT-LENDING-RELATED CASES

OBAMA ADMINISTRATION AVERAGE:

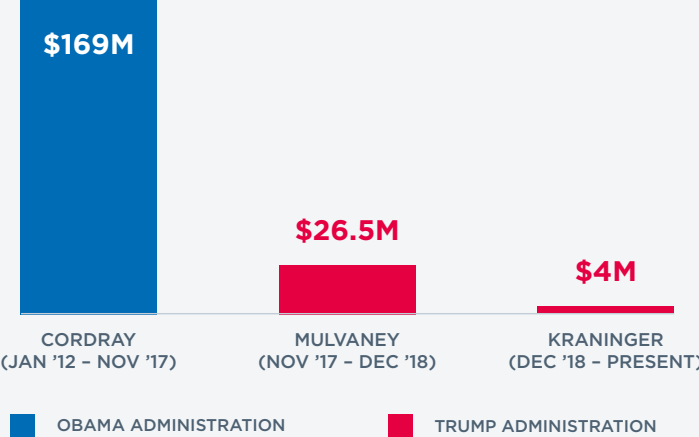
\$10 MILLION PER MONTH

TRUMP ADMINISTRATION TOTAL:

\$0

INSTEAD OF PROTECTING CONSUMERS, TRUMP'S CFPB HAS PROPPED UP PREDATORY LENDERS³⁰

\$ TOTAL CONSUMER RELIEF PER MONTH IN ALL PUBLIC CFPB ENFORCEMENT CASES



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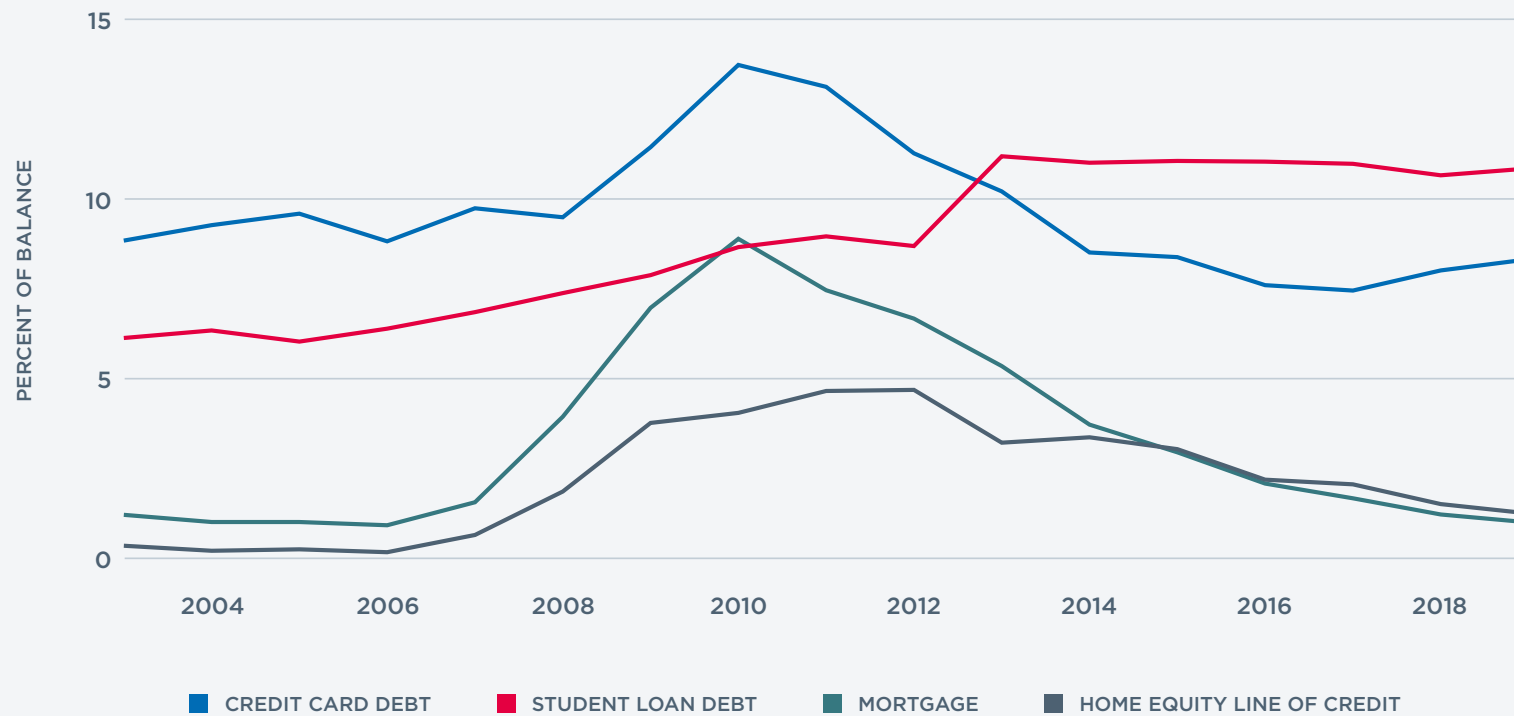
Q10 GENDER GAP

INCREASINGLY, COLLEGE DEBT BLOCKS WOULD-BE ENTREPRENEURS

COLLEGE DEBT RISES TO #1³¹

Together, 44 million borrowers in U.S. owe \$1.5 trillion.

PERCENT OF LOANS 90+ DAYS DELINQUENT, BY LOAN TYPE



SOURCE: New York Fed Consumer Credit Panel/Equifax

STATE-SPECIFIC DEBT³²



MICHIGAN
\$40.8B
 MORE THAN
 1.3 MILLION
 BORROWERS

PENNSYLVANIA
\$50.3B
 MORE THAN
 1.6 MILLION
 BORROWERS



OHIO
\$49B
 MORE THAN
 1.6 MILLION
 BORROWERS



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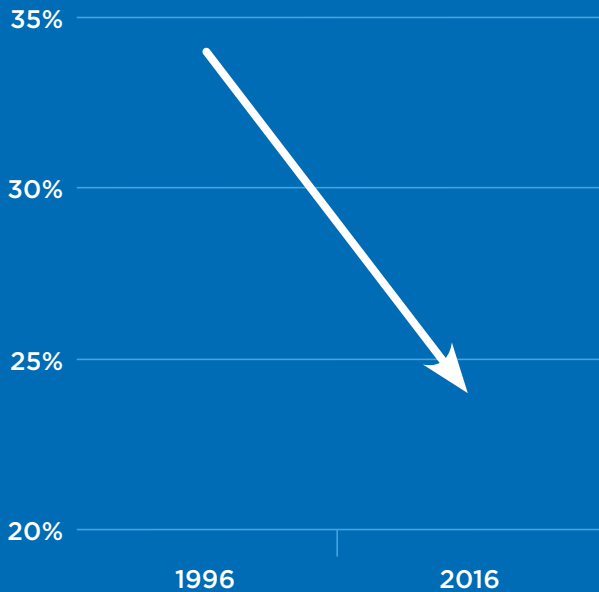
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FINANCIAL VULNERABILITY LEAVES YOUNG AMERICANS LESS LIKELY TO START COMPANIES

YOUNG COLLEGE GRADS HAVE LESS CAPITAL TO START NEW BUSINESSES³³

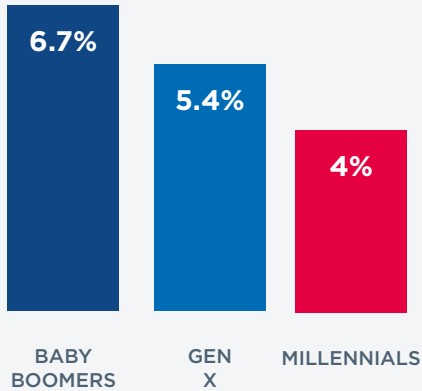
Share of new small business owners that are between the ages of 20-34 has shrunk from 34% in 1996 to 24% in 2016.



OVER 70% OF MILLENNIALS BELIEVE ENTREPRENEURSHIP IS ESSENTIAL TO THE ECONOMY, BUT THEY DON'T THINK THEY HAVE THE FINANCIAL SECURITY TO START THEIR OWN BUSINESSES³⁴

Millennials are actually on track to be the least entrepreneurial generation in recent memory.

30 YEARS OLD AND SELF-EMPLOYED



“STUDENT DEBT IS STOPPING U.S. MILLENNIALS FROM BECOMING ENTREPRENEURS”

“In fact, we haven’t seen a measurable increase in entrepreneurial activity in over 40 years, with the rate of new businesses as a percentage of all U.S. companies dropping by 29% between 1977 and 2016.”

BY VADIM REVZIN & SERGEI REVZIN
APRIL 26, 2019³⁵

**Harvard
Business
Review**



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QUESTION 9: WILL AUTOMATION TAKE OUR JOBS?

ANSWER:

TAKE THEM? POSSIBLY. CHANGE THEM? ABSOLUTELY. AUTOMATION CREATES AND DESTROYS JOBS SIMULTANEOUSLY, CHANGING AMERICA'S "JOB MIX" AS IT GOES. WE CAN'T GO BACK. WE MUST RESKILL.



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THE ARGUMENT

1 Trump promised to bring millions of manufacturing jobs “back” to the U.S. The problem? Many of them didn’t move overseas; they were automated. Focusing on manufacturing jobs that no longer exist distracts us from the millions of new, skilled manufacturing jobs we’re creating.

2 Automation creates and destroys jobs simultaneously, changing a market’s “job mix” as it goes. Workers who add skills become more productive and move up to higher paying jobs. Workers who fail to add skills fall into the lower paying service jobs robots and A.I. cannot perform.

3 There will be 4.6 million skilled manufacturing jobs to fill by 2028. The problem? 2.4 million could go unfilled because American workers don’t have the skills they need.

4 Automation is good for cities, bad for rural areas. Some regions, like the Midwest, are particularly vulnerable. If the U.S. cannot fill today’s high-skilled job openings, companies will move those jobs somewhere else.

“

My plan includes a pledge to restore manufacturing in the United States.¹

”

- PRESIDENT DONALD TRUMP



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MANY OF THE MANUFACTURING JOBS TRUMP WANTS TO “BRING BACK” DIDN’T MOVE OVERSEAS; THEY WERE AUTOMATED

TRUMP LAUNCHED A TRADE WAR TO BRING STEEL JOBS BACK

THE PROBLEM?

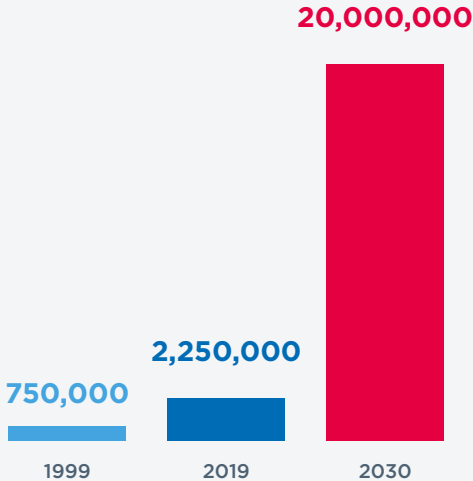
50%
OF THE WORLD’S STEEL JOBS HAVE BEEN ELIMINATED SINCE 1972.²



Consolidation and improved manufacturing processes have increased productivity by more than 6X since 1980.³

THERE ARE 3X MORE ROBOTS NOW THAN THERE WERE 20 YEARS AGO

There will be 9X more in 2030 than today.⁴



Year	Number of Robots
1999	750,000
2019	2,250,000
2030	20,000,000

And MIT Economist Daron Acemolu estimates that every new robot reduces employment by 5.6 workers⁵

THE STEEL JOBS THAT REMAIN REQUIRE NEW SKILLS

“ As the [steel] industry continues to introduce technological innovations, the profile of the workforce will evolve and require higher levels of education and training than ever before... the demand for engineers, computer scientists, business major, and skilled production workers is expected to remain strong.⁶ ”

- WORLD STEEL ASSOCIATION

AUTOMATION’S IMPACT ON STEEL IS THE RULE, NOT AN EXCEPTION

2000 TO 2017:

5.5M
U.S. MANUFACTURING JOBS LOST

WHILE

U.S. MANUFACTURING OUTPUT INCREASED⁷


7%

AUTOMATION CREATES AND DESTROYS JOBS SIMULTANEOUSLY, CHANGING A MARKET’S “JOB MIX” AS IT GOES

THREE OUT OF FOUR CEOS SAY THAT SKILLS GAPS IN CREATIVITY AND PROBLEM SOLVING MAKE HIRING DIFFICULT⁸

What sells:

- 1. Strong foundation of academic knowledge
- 2. Skills necessary to apply that knowledge to non-routine problems as they arise
- 3. A set of competencies that allow them to work well and ethically with others
- 4. A great deal of flexibility and adaptability



99%
OF JOBS CREATED DURING THE ECONOMIC RECOVERY WENT TO WORKERS WITH POSTSECONDARY EDUCATION OR TRAINING⁹



JOB POSTINGS FOR A.I. POSITIONS IN THE U.S. INCREASED 159% OVER THE PAST YEAR¹⁰

TURNOVER IN DETROIT REFLECTS CHANGING MANUFACTURING MIX

NOVEMBER 6, 2018
JAMIE LAREAU

GM’S JOB CUTS MEAN NEW KIND OF WORKER NEEDED

“General Motors is a technology company that makes cars, and the skills its employees had yesterday are continuously becoming outdated...”

...GM has been adding a younger workforce with technology-heavy skills in recent years. In fact, only about 17,700 of GM’s 50,000 salaried workers in North America have... 12-plus years seniority.”¹¹

Detroit Free Press



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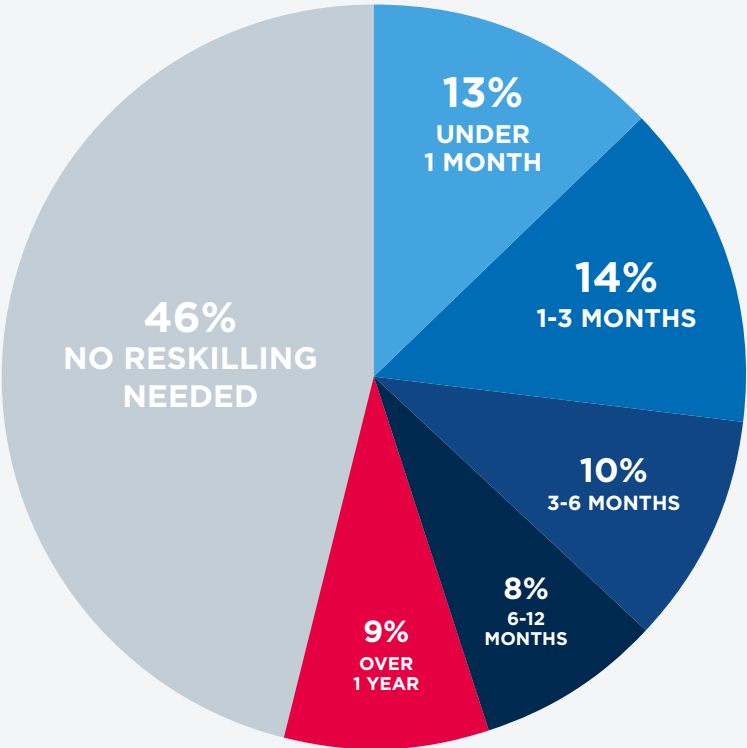
Q9 FUTURE OF WORK

Q10 GENDER GAP

AS JOBS IN AMERICA CHANGE, WORKERS MUST ADAPT

54% OF U.S. WORKERS NEED RESKILLING¹²

AVERAGE LENGTH OF TRAINING REQUIRED TO RESKILL (SHARE OF WORKFORCE)



CHALLENGES FACING CAREER PREPAREDNESS FOR THE FUTURE OF MANUFACTURING:

1. Attracting high-skilled workers to the industry pipeline
2. Repositioning existing workers to handle the industry's emerging technical and skill challenges.¹³

(MOLLY KINDER, NEW AMERICA)

CHANGE WILL BE CONSTANT

THE AVERAGE AMERICAN WILL HAVE AT LEAST

12

DIFFERENT JOBS BETWEEN THE AGES OF 18-50¹⁴

JOBS WILL DEMAND MORE COMPLEX SKILLS

BY 2030, WORKPLACE DEMAND WILL INCREASE BY

60%

FOR TECHNOLOGICAL SKILLS

40%

FOR CREATIVITY

33%

FOR ENTREPRENEURSHIP¹⁵



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IF WE FAIL TO RESKILL, WE COULD MISS OUT ON 2.4 MILLION MANUFACTURING JOBS AND \$2.5 TRILLION IN MANUFACTURING OUTPUT (2018-2028)

UNFORTUNATELY, A DELOITTE STUDY PROJECTS OUR WORK-FORCE WILL LACK THE SKILLS NEEDED TO FILL THEM¹⁶

2.7M
JOB OPENINGS CREATED BY RETIREMENT

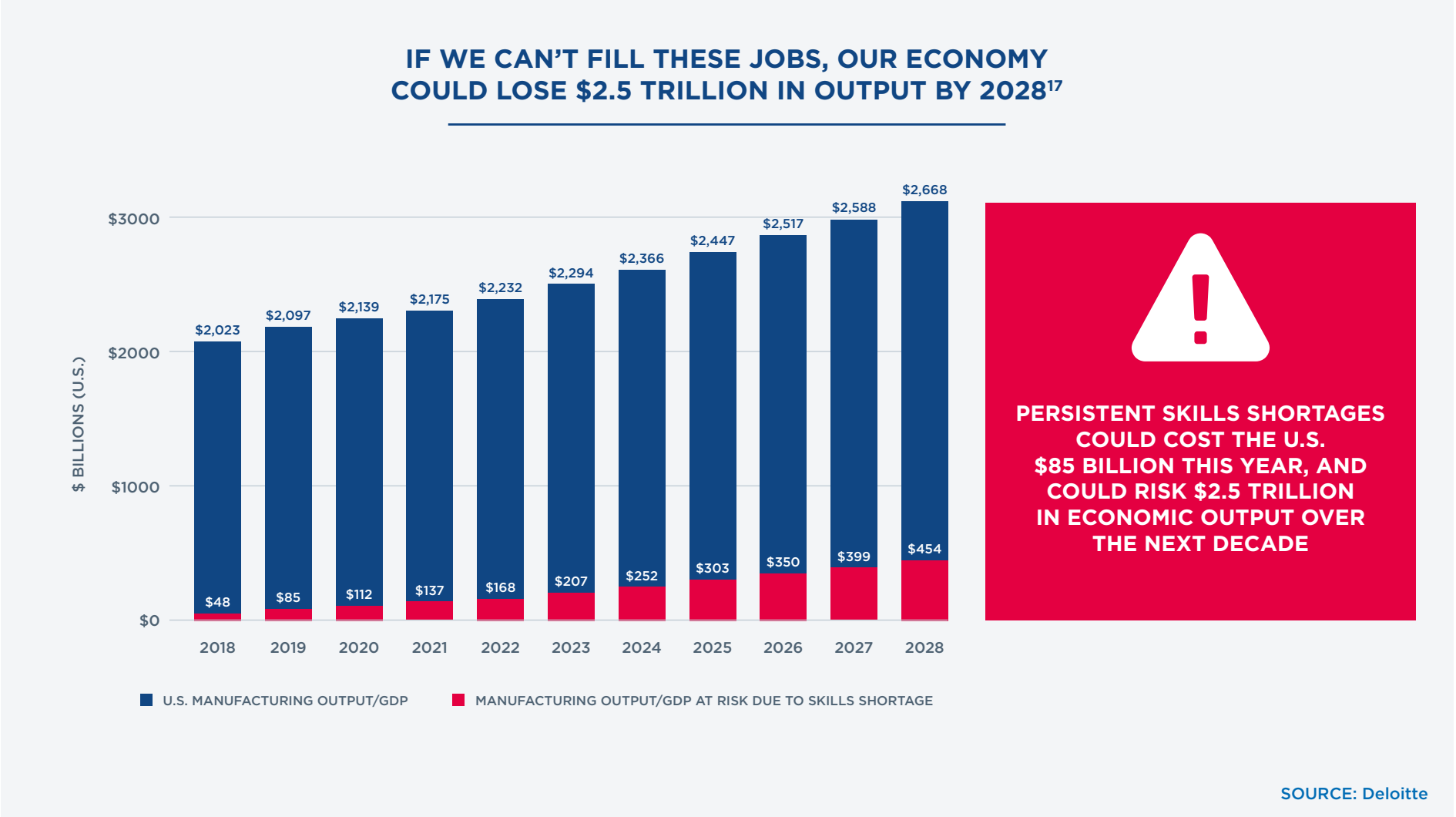
+

1.9M
JOB OPENINGS CREATED BY NATURAL GROWTH

= **4.6M**
MANUFACTURING JOBS TO FILL BETWEEN 2018-2028

ONLY 2.2 MILLION WORKERS CAPABLE OF FILLING THESE JOBS.

= **2.4M**
JOB GAP



AUTOMATION INCREASES INEQUALITY, AND MIDWEST IS GROUND ZERO

83% OF U.S. JOBS THAT PAY UNDER \$20/HOUR WILL SOON BE SUBJECT TO AUTOMATION¹⁸

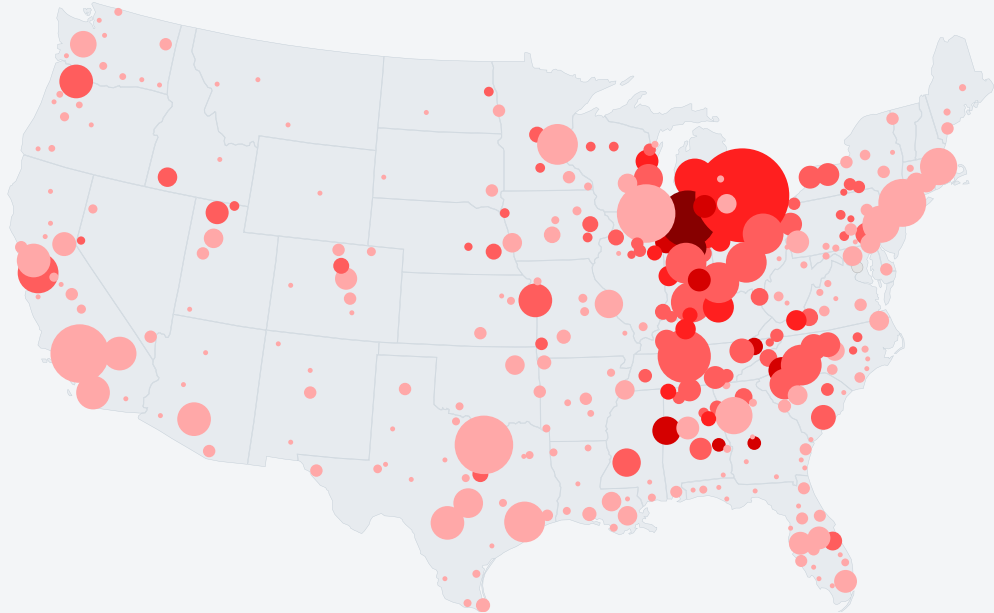
“ Our research shows that the negative effects of robotization are disproportionately felt in the lower-income regions compared with higher-income regions in the same country.¹⁹ ”

- OXFORD ECONOMICS

21% OF ROBOTS IN U.S. ARE BASED IN MICHIGAN OR OHIO

The automotive industry operates over 40% of the robots in the world, so prominence in the Midwest makes sense.

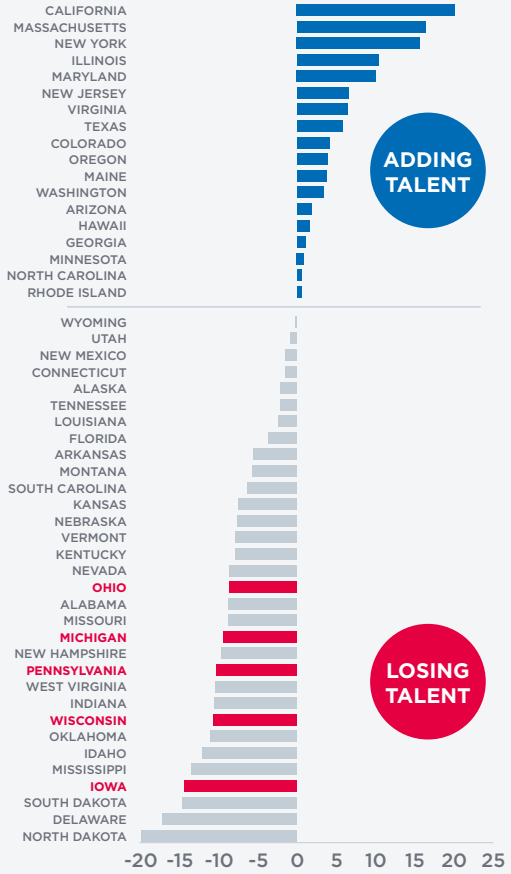
NUMBER & INCIDENCE OF INDUSTRIAL ROBOTS²⁰ (PER THOUSAND WORKERS) BY METROPOLITAN STATISTICAL AREA, 2015



SOURCE: Brookings Institution

MIDWEST “BRAIN DRAIN” AGGRAVATES SKILLS DISPARITY

PERCENTAGE OF NET HIGHLY EDUCATED ENTRANTS²¹



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QUESTION 10:

WHAT IS THE ONE BIG THING WE CAN DO TO FIX OUR ECONOMY?

ANSWER:

SUPPORT WORKING WOMEN



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THE ARGUMENT

1 Women's progress in the workplace has stalled. They remain overrepresented in low-paying jobs, underrepresented in high-paying jobs, overworked at home, and undermined at the office.

2 Women are America's largest potential driver of economic growth. By simply helping women match men's labor force participation, we could grow our economy by \$1 trillion.

3 Our competitors invest three times more supporting working women than the U.S. does. The U.S., once a leader, now ranks 20th out of the world's 22 advanced economies on women's labor participation rate.

4 Meanwhile, the Trump Administration and Republicans in Congress have restricted reproductive health care and family planning services; proposed spending cuts for after-school programs, on-campus child care for students, and child care assistance for low-income working families; and opposed equal pay measures, overtime pay reform, and stronger sexual harassment laws.

5 It's simple: the biggest driver of our economy is women, and they cannot realize their potential in the workplace if government makes it harder for them to plan their families, raise their children, and work in safety.



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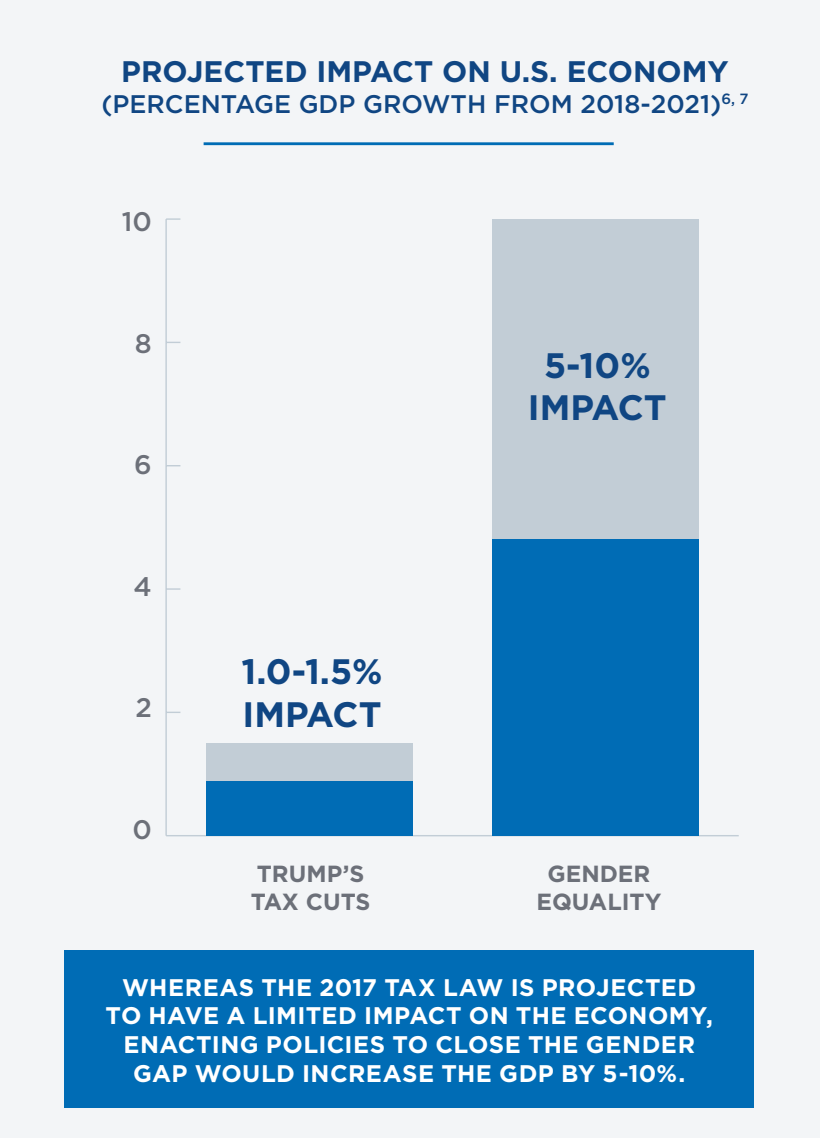
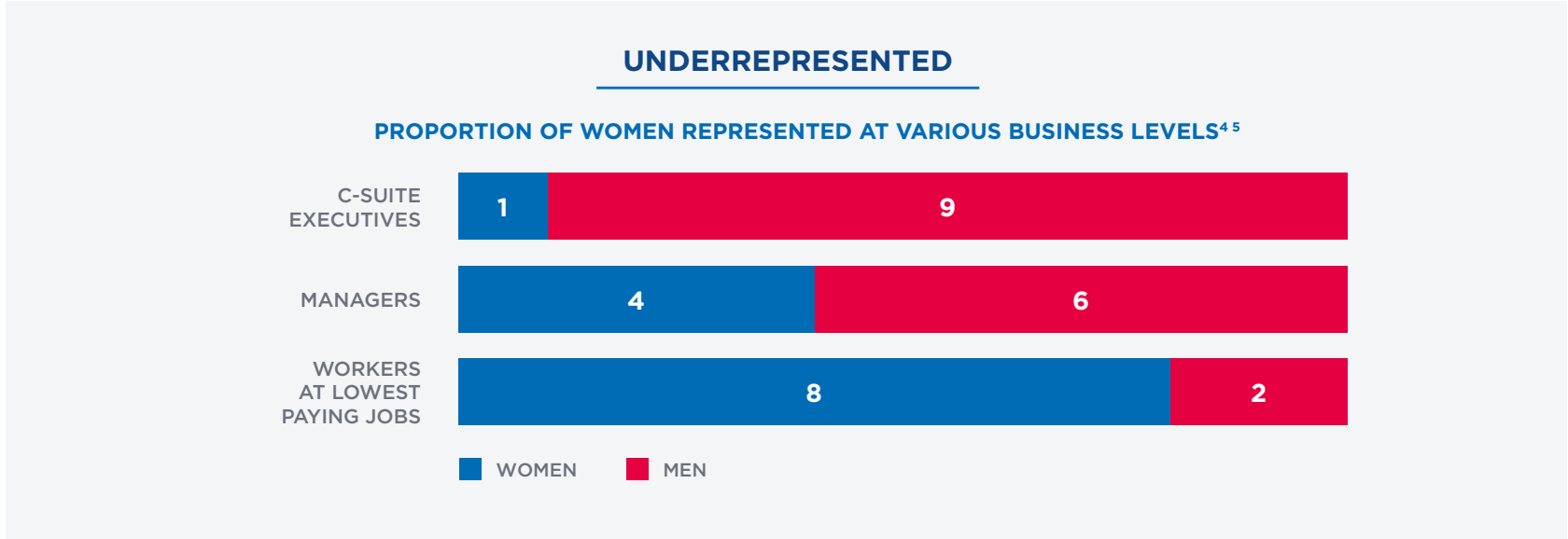
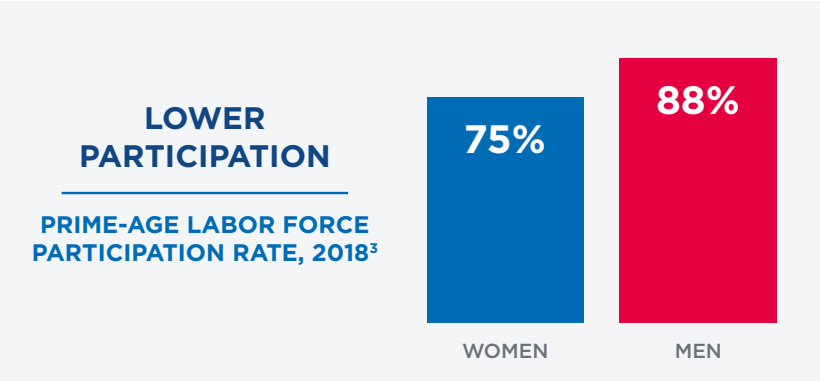
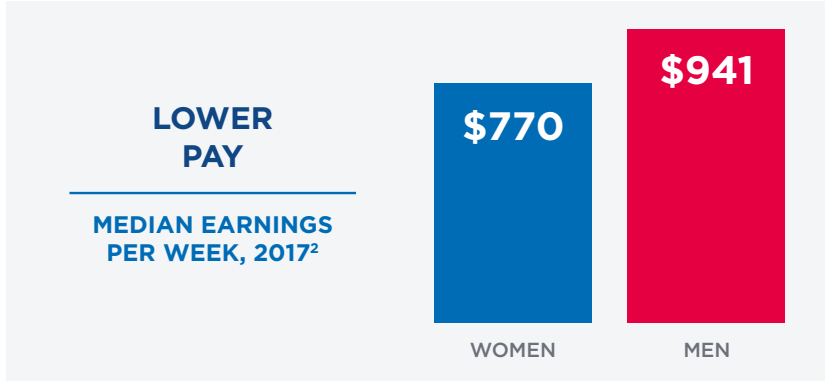
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WOMEN'S PROGRESS IS STALLED, AND TODAY'S GENDER GAP = \$1 TRILLION IN LOST INCOME

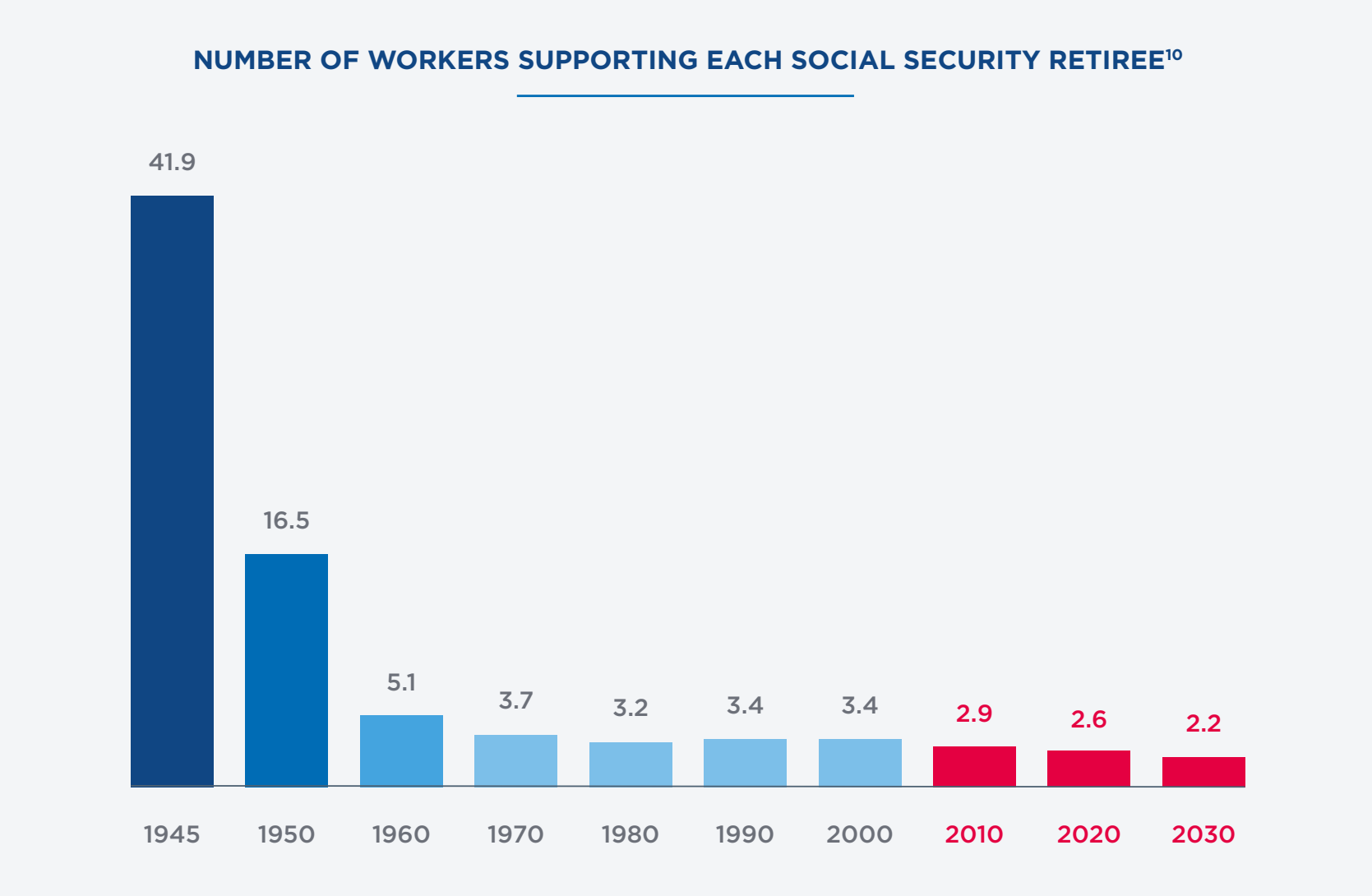
Women who work full-time earn just 82% of what their male counterparts earn.¹ Women earn less, in part, because they tend to work in jobs and industries that pay less. In other words, they are overrepresented in low-paying jobs and underrepresented in higher paying ones.



ELIMINATING THE GENDER GAP IS OUR BEST MEANS OF SAVING AMERICA'S ECONOMY FROM LONG-TERM DECLINE

Our labor force participation is at a 40-year low. The Congressional Budget Office projects the U.S. workforce will grow by only 0.5% per year over the next decade, about one-third as fast as it did from 1950 to 2007. Slow workforce growth means economic growth is unlikely to match late 20th century levels.⁸

S&P Global recently lowered its estimate for the potential long-term average annual growth to just 1.8% — one percentage point lower than the 2.75% estimate it issued 15 years ago. Helping women enter and succeed in the workforce would also offset the ongoing drag to our economy (and Social Security) by retiring baby boomers. In 2000, 3.4 workers supported every Social Security beneficiary. Today, 2.8 workers do. By 2035, it will be 2.2 workers.⁹



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MOTHERS' "SECOND SHIFT" AT HOME IS UNDERMINING THEIR SUCCESS AT WORK

We cannot help women succeed in the workplace without recognizing the unequal distribution of work at home. Mothers are two to three times more likely to manage critical household chores than fathers. Economists refer to this household work as a "second shift" for mothers who work outside the home. Citigroup estimates the economic value of this household work at approximately 23% of our GDP, or \$4.5 trillion each year.¹¹

Women are nearly twice as likely to take time off work to care for a family member than men are. In fact, they are more likely to quit their job to care for their family than a man is to take time off his job to do so. Economists describe the result of this disparity in household responsibilities as "the family gap," which means women's pay decreases with childbearing. Women without children (average age of 30) earn 90% of what men in the same age group make. But women with kids earn only 73% of what men in the same age group make.¹²

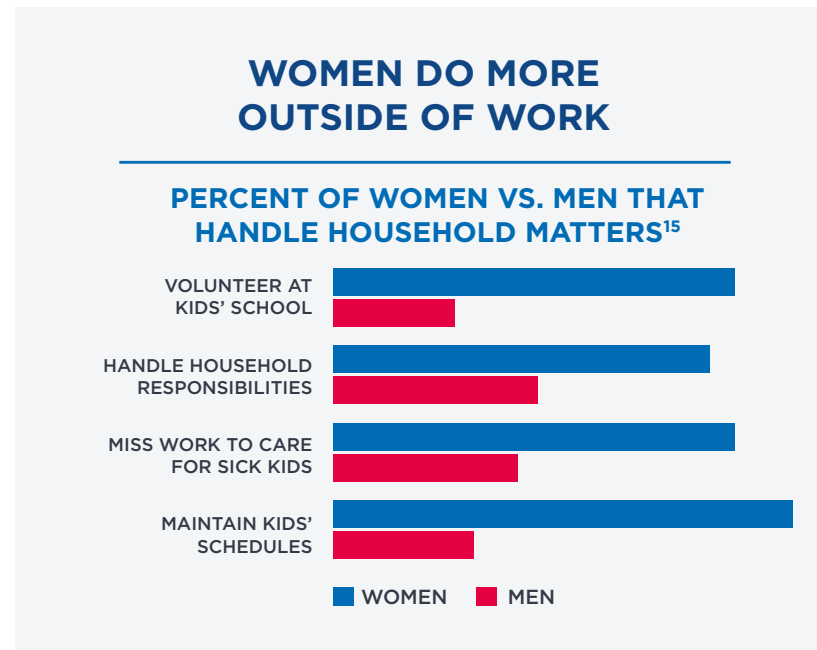
**VALUE OF WORK MANAGING HOUSEHOLDS AND FAMILY?
\$4.5 TRILLION, ACCORDING TO CITIGROUP**

The proportional loss of wages is significantly higher for highly educated women in high-paying jobs. These women lose 21-33% of their lifetime earnings after having a child, compared with a 10-14% loss for women with lower-skilled jobs. The impact of the "family gap" on all women drops if women delay childbearing until 30.¹³

2 IN 3
MOTHERS ARE SUBSTANTIAL BREADWINNERS¹⁴

41% EARN AS MUCH OR MORE THAN THEIR PARTNER.

23% EARN AT LEAST 25% OF THEIR HOUSEHOLD'S INCOME.



FAMILY LEAVE¹⁶

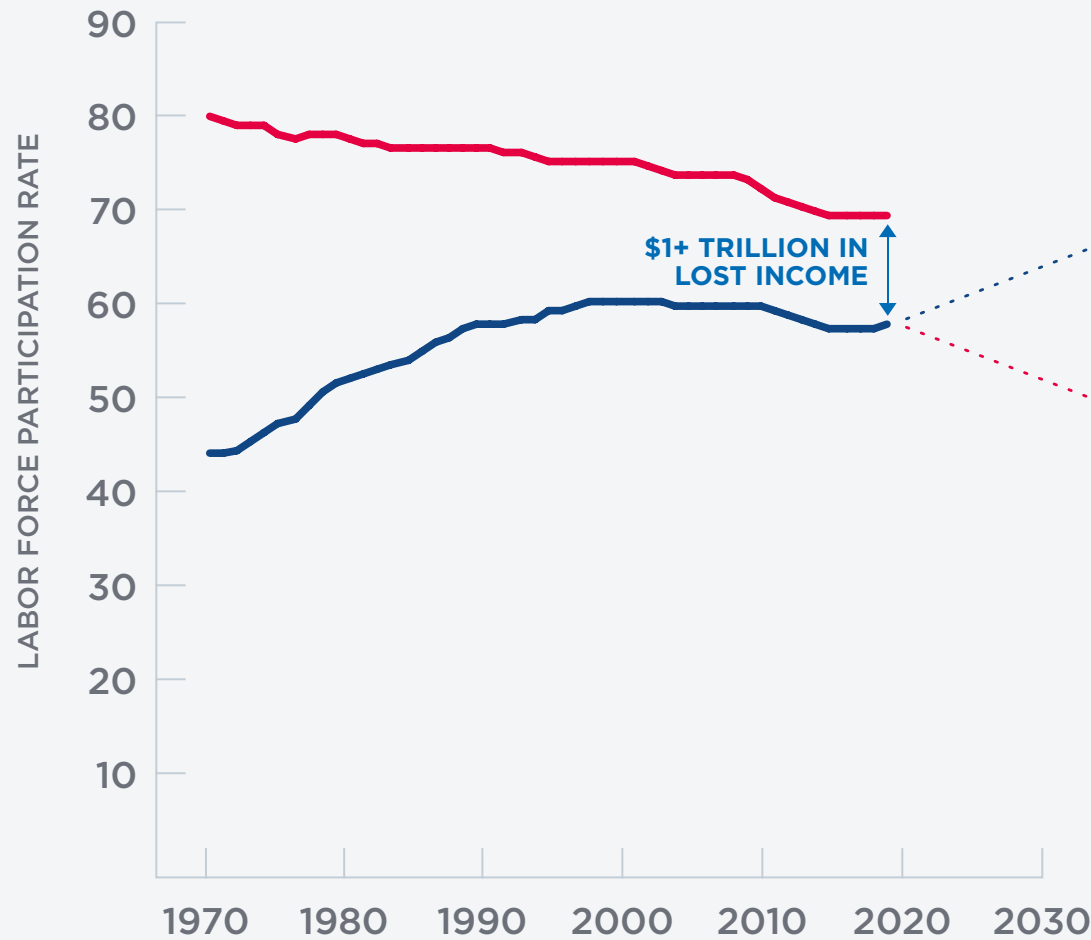
39% MOTHERS TAKE TIME OFF

25% MOTHERS QUIT

24% FATHERS TAKE TIME OFF

GOVERNMENT CAN HELP WORKING WOMEN OR IT CAN MAKE THEIR LIVES HARDER

LABOR FORCE PARTICIPATION BY GENDER¹⁷



SUPPORT WORKING WOMEN

- OFFER MORE FAMILY PLANNING SUPPORT
- HELP WITH CHILD CARE, FAMILY LEAVE
- PROMOTE EQUAL PAY
- ADDRESS WORKPLACE HARASSMENT



If women entered and stayed in the workforce at the rate they do in Norway, the U.S. would add \$1.6T to its economy.¹⁸

UNDERMINE WORKING WOMEN

- RESTRICT FAMILY PLANNING
- IGNORE CHILD CARE, FAMILY LEAVE, EQUAL PAY, AND WORKPLACE HARASSMENT



Women remain overrepresented in low-paying jobs, underrepresented in high-paying jobs, and overworked at home. Our economy shrinks while our competitors' economies grow.

■ WOMEN

■ MEN



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TRUMP AND REPUBLICANS IN CONGRESS WANT TO MAKE IT HARDER

Reproductive health care: Proposed a gag rule for Title X health care providers that will impact the four million people relying on this funding for affordable care.¹⁹

Afterschool programs: Proposed cutting 21st Century Community Learning Centers — a program providing high-quality afterschool programming in low-income neighborhoods.²⁰

Equal pay: Attempted to halt the Equal Employment Opportunity Commission's ability to collect pay data by race and gender from large companies, which would have made it easier for companies to underpay women and hide evidence.²¹

Sexual harassment: Rescinded Obama Administration guidance that required education institutions to support individuals who experienced gender-based violence.²²



Eight million women rely on publicly funded birth control through Medicaid and Title X.²³

More than two million people rely on the 21st Century Community Learning Centers Program.²⁴

81% of women and 43% of men say they have experienced some form of sexual harassment or assault in their lifetime.²⁵



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OUR COMPETITORS SPEND THREE TIMES MORE SUPPORTING WOMEN – AND IT’S BOOSTING THEIR ECONOMIES

Once a leader, the U.S. now ranks 20th out of 22 advanced economies in prime-age female labor participation.²⁶
 In 2015, other OECD members spent over three times more subsidizing family benefits (as a share of GDP) than the U.S.²⁷



Sweden, which has the highest women’s LFPR, also has the second-highest fertility rate. By making it easier for women to support their families, Sweden makes it easier to have more children.²⁸



“The reason Canadian women are much more likely to be in the workforce than their U.S. counterparts comes down to three decades of public policies and business incentives.²⁹”

- BETH ANN BOVINO
 CHIEF ECONOMIST
 S&P GLOBAL

WOMEN’S LABOR FORCE PARTICIPATION RATE³⁰

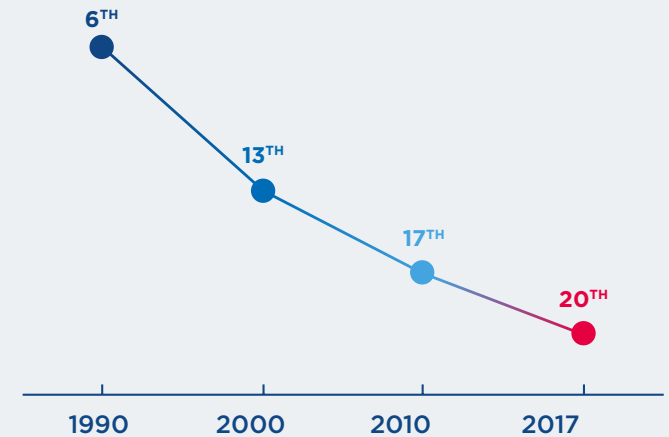
U.S. = 66.2%
 CANADA = 74%

“While Canada began adjusting public policies and business incentives over three decades ago, the U.S. is just recently considering solutions, and these initiatives seem far from implementation.”³¹

- Citi GPS,
 Women in the Economy II
 (November 2017)



U.S. RANKING FOR LABOR FORCE PARTICIPATION RATE, 1990-2017^{32,33}



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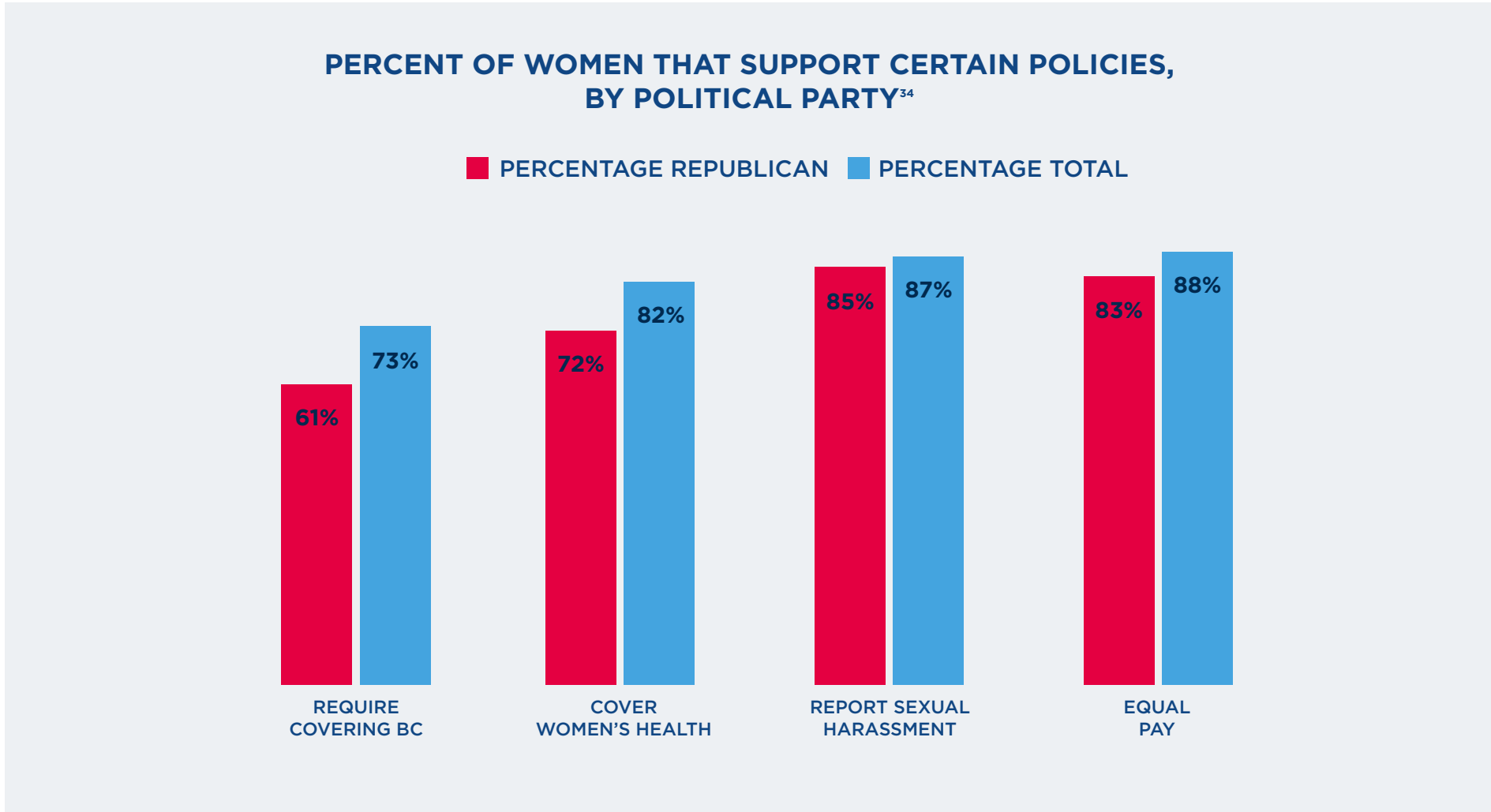
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SURVEY: WOMEN-FRIENDLY POLICIES ENJOY BIPARTISAN SUPPORT

Across party lines, majorities of women support access to birth control, health care coverage, and stronger sexual harrassment protections.



“ Equality doesn't have to be a partisan issue. Women across the board share many of the same policy priorities.³⁵ ”

- MARGIE OMEMO
GBA STRATEGIES,
POLLSTER

WOMEN EXECUTIVES ON REPRODUCTIVE HEALTH CARE

Business Forward conducted a survey with GBA Strategies and Bellwether Research & Consulting (December 2017).³⁶ The poll surveyed 1,500 American women across age, race, professional status, educational attainment, geographic area, and political spectrum on their perspectives on the issues facing women in the workplace today.

Eighty-six percent of women executives believe that being able to time and plan parenthood is critical to a woman’s professional development and her family’s financial security — and 90% believe access to birth control is critical to family planning. There is significant evidence to support these beliefs. For example, 10% of the narrowing of the gender pay gap during the 1980s and 31% during the 1990s can be attributed to early access to the Pill.³⁷ Access to contraception helps women pursue higher degrees of education and become established in professional careers. The Pill accounted for over 30 percent of the increase in the proportion of women in skilled careers from 1970 and 1990.³⁸

TIMING PARENTHOOD MATTERS

HOW IMPORTANT HAS THE ABILITY TO PLAN IF AND WHEN TO HAVE CHILDREN BEEN FOR YOUR ABILITY TO PURSUE YOUR PROFESSIONAL AND CAREER GOALS?³⁹

(PERCENT THAT BELIEVE IT IS IMPORTANT)

EXECUTIVES



TOTAL



BIRTH CONTROL IS CRITICAL TO TIMING PARENTHOOD

HOW IMPORTANT HAS ACCESS TO BIRTH CONTROL BEEN IN YOUR ABILITY TO PLAN THE SIZE OF YOUR FAMILY?⁴⁰

(PERCENT THAT BELIEVE IT IS IMPORTANT)

EXECUTIVES

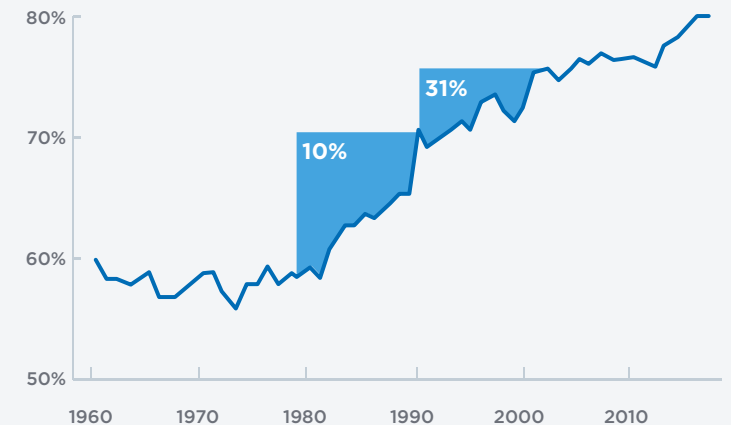


TOTAL



LABOR FORCE PARTICIPATION AND BIRTH CONTROL

10% OF THE NARROWING OF THE GENDER PAY GAP DURING THE 1980S AND 31% DURING THE 1990S CAN BE ATTRIBUTED TO EARLY ACCESS TO THE PILL.⁴¹



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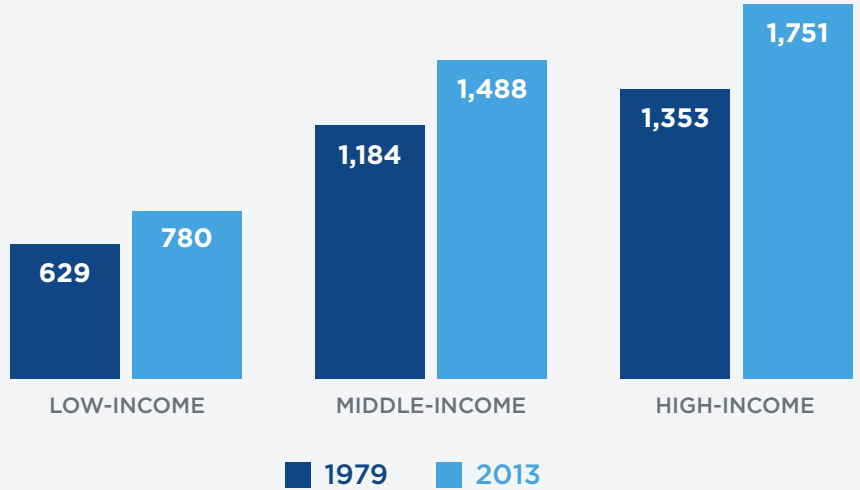
GENDER GAP FOR WORKING FAMILIES AND WOMEN OF COLOR

Across income groups, women have kept their families close to even by working more and earning more per hour. Without picking up more hours, low and middle-income families could have seen their incomes drop more substantially.

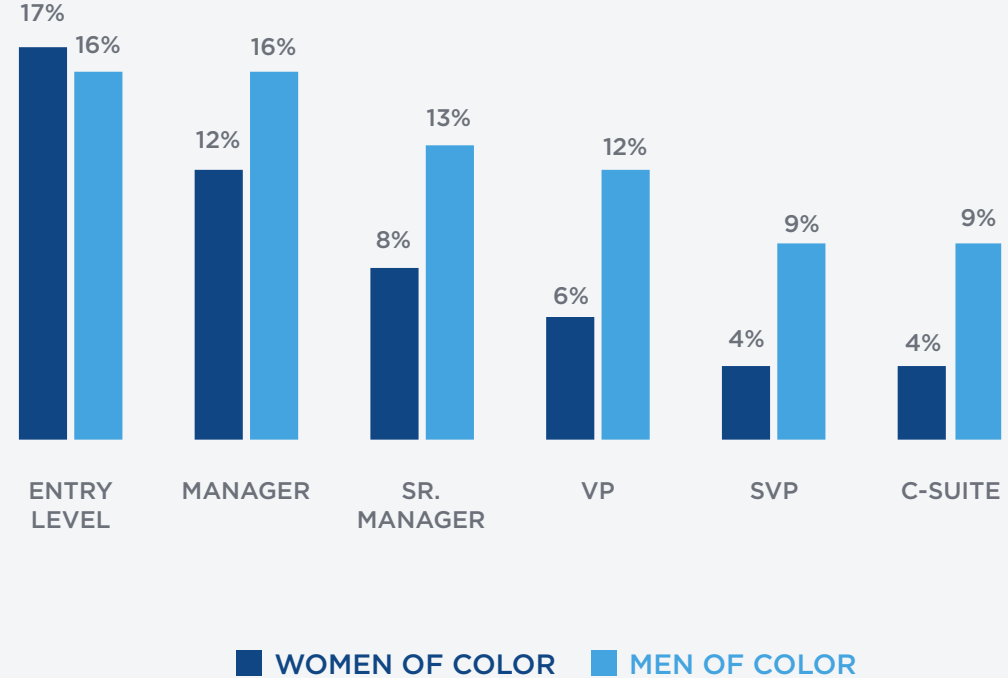
Women of color face greater institutional barriers to promotion in the workplace and are overrepresented in low-paying jobs and underrepresented in high-paying jobs.

AVERAGE ANNUAL HOURS WORKED BY WOMEN, BY SOCIOECONOMIC STATUS⁴²

Between 1979 and 2013, low-income families saw their incomes fall by 2.0%, from \$23,697 to \$23,224. Those incomes would have fallen substantially more if women in these families had not increased their average number of hours worked; low-income women worked three more hours, middle-class women worked six more hours, and professional women worked eight more hours per week.



REPRESENTATION IN THE CORPORATE PIPELINE⁴³



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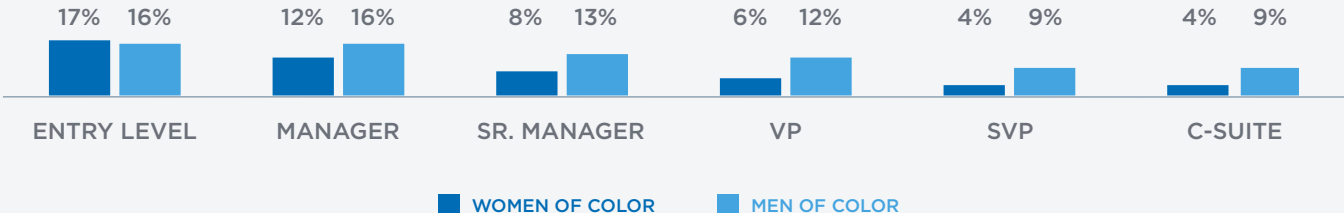
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REPRODUCTIVE HEALTH CARE'S IMPORTANCE TO WOMEN OF COLOR

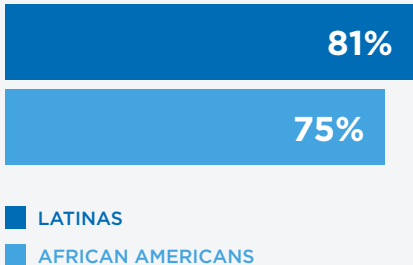
REPRESENTATION IN THE CORPORATE PIPELINE⁴⁴

Women of color face greater institutional barriers to promotion in the workplace, and that suggests access to reproductive health care matters more to their careers.

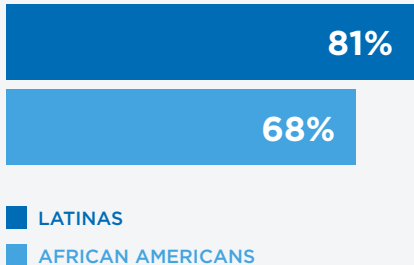


FREEDOM TO PLAN FAMILIES⁴⁵

How important has the ability to plan if and when to have children been for your ability to pursue your personal professional or career goals? (% that believe it's important)



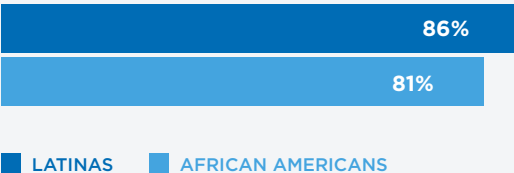
How important has access to birth control been in your ability to plan the size of your family? (% that believe it's important)



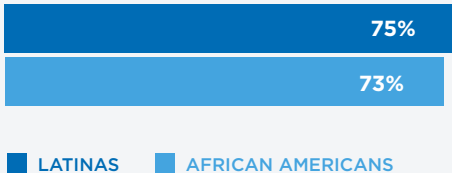
ACCESS TO BIRTH CONTROL AND HEALTH CARE⁴⁶

Women of color overwhelmingly support requiring insurance to cover birth control and making sure all women have coverage for routine medical care like mammograms and pap smears — even if they don't have health insurance.

REQUIRE COVERAGE FOR WOMEN'S ROUTINE MEDICAL CARE



REQUIRE COVERAGE OF BIRTH CONTROL



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INFO@BUSINESSFWD.ORG

BUSINESSFWD.ORG

1155 CONNECTICUT AVENUE NW
SUITE 1000
WASHINGTON, D.C. 20036

202.861.1270

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