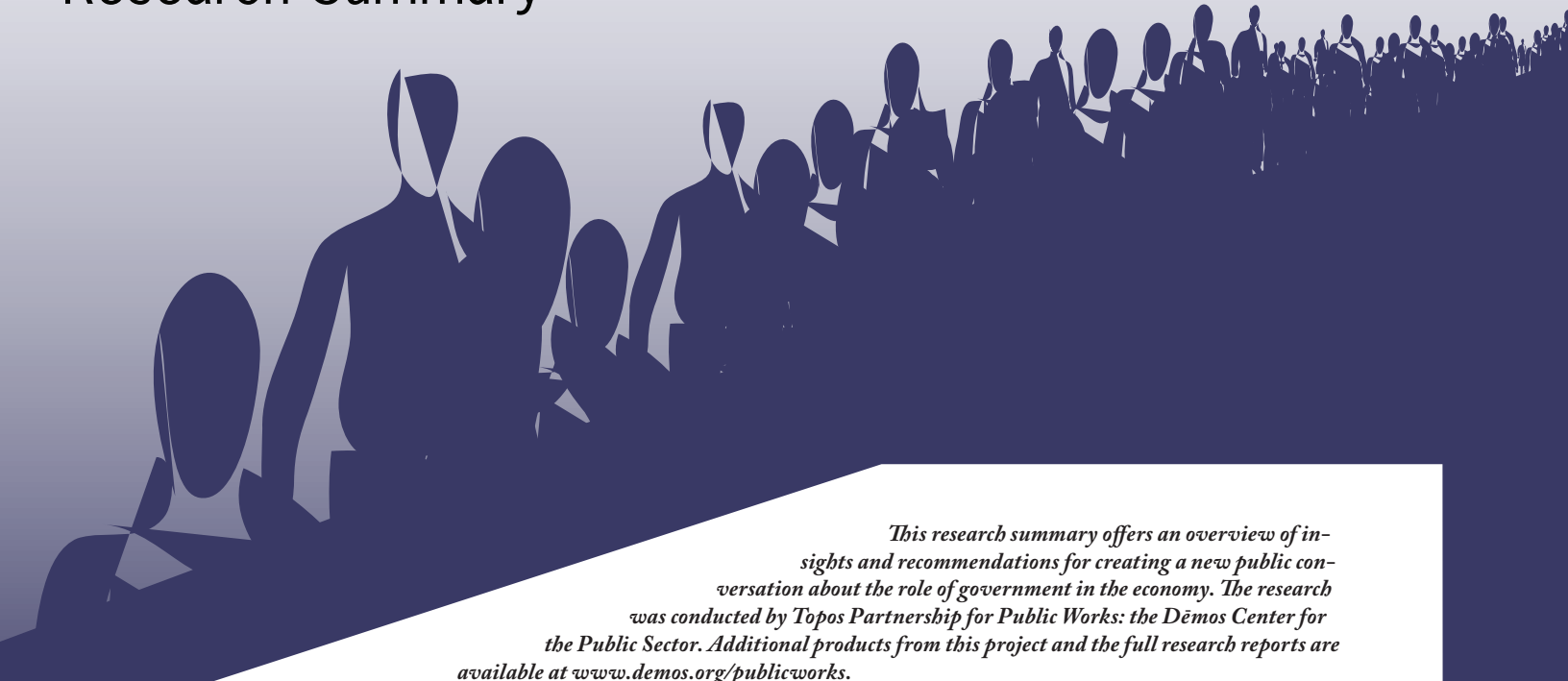


# GOVERNMENT, THE ECONOMY AND WE, THE PEOPLE:

## Creating Public Will to Shape an Economy that Works for All

### Research Summary



*This research summary offers an overview of insights and recommendations for creating a new public conversation about the role of government in the economy. The research was conducted by Topos Partnership for Public Works: the Dēmos Center for the Public Sector. Additional products from this project and the full research reports are available at [www.demos.org/publicworks](http://www.demos.org/publicworks).*

#### INTRODUCTION

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We are living in a time of unprecedented public interest in the relationship between government and the economy. Americans are attentive – deeply concerned about the impact of the economic downturn and its implications for the future. But they are also wary. While they want government action, they are harshly critical of high profile steps such as bailouts, and nervous about spending and the deficit. Making real progress on a whole host of important economic policies, from reshaping Wall Street regulations to investing in the jobs and economy of the future, will require a more active role for government than the U.S. has seen in decades. Building and sustaining public will to support this engagement by the public sector is an underlying and foundational challenge.

Since the Spring of 2007 and continuing into the Fall of 2009, Public Works: the Dēmos Center for the Public Sector and the Topos Partnership have collaborated on a Ford Foundation-funded effort to create a new public conversation on the role of government in the economy. This effort has included a wide range of qualitative and quantitative research efforts, spanned a period of dramatic change in the national economic landscape, and built on earlier research conducted by Topos principals concerning the public's view of government and public understandings of low wage work. The summary that follows is a synthesis of the key findings and recommendations from a number of longer research reports by Topos.

## UNDERSTANDING THE ECONOMY, GOVERNMENT AND THE ROLES OF INDIVIDUALS

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Those advocating for an active role for government in shaping economic policy are operating at a challenging intersection of public perceptions and attitudes about:

- » The Economy;
- » The Roles of Government; and
- » The Roles and Responsibilities of Individuals.

The American public is very anxious about the economy. They want action, but they lack a basic understanding of how the economy works. They have extremely limited and problematic notions of the role government should play in shaping the economy, and they have little sense of their own power to influence economic policy.

### *The Economy*

When Americans think about the economy, several key patterns emerge:

- » **A Difficult Topic – better left to experts.** When asked basic questions about the economy most people are clearly intimidated by a topic that seems complex and out of their grasp.
- » **A Force of Nature – beyond anyone’s control.** People think about the economy like the weather – something we have no control over and just need to cope with; riding out the bad times; and taking advantage when conditions are fair.
- » **The Free Market naturally, and properly, leads to Different Outcomes.** In this way of thinking, economic success is the result of individual effort. Because individuals put forth different levels of effort, they will naturally wind up in very different economic places. Basic American moral understandings even suggest that they *should*. Inequality happens.
- » **Individual Actors and their character drive outcomes, not policy.** The dominant public model for how the economy works is what can be called the “Individual Actor” Economy. From this perspective, the economy starts with, and is almost identical with, the activities of individuals. Economic actions and outcomes are shaped by the morals, character and decisions of individuals (lazy or industrious workers, greedy or sensible consumers, generous or mean-spirited employers...). The Individual Actor perspective can also be metaphorical, as people think of companies, governments or countries as Individual Actors, with “good and bad” needs, desires, and intentions. Morality can’t really be legislated, and thus policy plays little role in the Individual Actor world that shapes most Americans’ thinking most of the time on this topic.

Most fundamentally for economic policy advocates, Americans’ default understandings of how the economy works *obscure any proactive role for government.*

### *The Roles of Government*

Guided by the Individual Actor perspective, the public is both relatively unaware and highly suspicious of government’s role in shaping the economy. That suspicion manifests itself in three dominant views:

- » Government action to intervene in the economy is essentially a *last resort*;
- » Government efforts to prop up individuals and businesses who are suffering economically tend to *create dependency*; and
- » Government intervention *smothers business* creativity and freedom.

To the extent that the public easily sees roles for government in the economy these roles are very specific and limited. The commonly understood roles for government are:

- » *Policing* especially egregious business practices (of the kinds that would be easily recognized as felonies); or
- » *Protecting* people who are truly deserving (e.g. by providing some level of social safety net).

These constraints are also evidence of an overarching outlook on government’s role – that it is “after-the-fact;” any action should only be taken in response to things going wrong. Missing is any sense of a proactive role that could shape different economic actions and outcomes.

### *The Roles and Responsibilities of Individuals*

Related to the Individual Actor model of the economy is also a limited perspective of our own roles as individuals in the economy. People see themselves primarily as *workers* and *consumers*. Our jobs are to work hard and to keep the economy moving through our purchase of goods and services (and occasionally to act as innovative entrepreneurs, creating new products and industries, largely without any contribution from government or policy). Obscured is the idea of *responsible citizens* – average people who willingly view themselves as part of the larger community and want to contribute to the collective management of society, keep an eye on economic policy, and weigh in on important decisions. Ultimately, any new communications approach needs to empower people as citizens relative to the economy – i.e. help them feel competent as observers, voters and, ultimately, as stewards of the common good. It should also aid them in asserting their role in decision-making about economic policies.

### *Openings in Public Perceptions*

There is also some good news in these research findings. The downturn has created a more attentive audience for messages about government’s role in creating an economy that works for all. Compared with the recent past, the public is now more aware of government’s economic activities, and has higher expectations about government intervention. Another promising finding is that Americans’ bottom-line criteria for evaluating the economy is often closer to what advocates frequently focus on – such as unemployment rates, wages, expendable income and job security – than to what economists and economic reporters often focus on – such as stock prices or the Gross Domestic Product (GDP). People tend to judge the economy based on their perceptions of *how they and people like them are doing*. That said, it is important to remember that people tend to defer to the “experts” about the “health” of the overall economy, assuming that they will just have to “ride out” their own personal difficulties.

## **THE TRANSFORMATION WE NEED**

For those seeking to engage the public more effectively in economic policy and build support for approaches that serve all Americans, there are three key tasks:

- » Avoid triggering problematic perceptions about the economy and government’s role;
- » Tap into more productive perspectives and supportive beliefs; and
- » Create deeper public understanding about how the economy works.

The chart below compares the dominant perspectives that limit consideration of a proactive role for government to the elements of a new story about the economy that we need to foster and support.

<b>Dominant Perspectives</b>	<b>A New Economy Story</b>
The economy is “free” and “natural” – coping means merely adapting.	The economy is man-made and intentional – policy matters.
Individual character and luck determine outcomes.	Systems and structures affect outcomes.
Everyone competes for their own interests.	Everyone’s interests are connected and interdependent.
The strength of the overall economy matters.	Average people’s economic wellbeing matters.
Government’s role is minimal and reactive.	Government’s role is fundamental and proactive.
Individuals are consumers and workers.	As citizens, we all have the ability and responsibility to shape the economy we need.

In addition to the dominant perspectives noted above, there are a number of other ways in which thinking can go wrong as communicators try to engage audiences on economic topics. These additional communications “traps” are discussed in the full strategy and research brief – *Promoting Broad Prosperity* (Topos Partnership, October 2009).

## CORE ELEMENTS OF A NEW ECONOMY STORY

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At the core of a new economy story are three elements that need to be communicated more effectively:

- » **How it Works:** Policies and structures – not just individual actors – create a particular kind of economy.
- » **Intentionality:** We can shape the economy to meet our common goals and use public policy decisions to do so.
- » **Interdependence:** Not only are all Americans *connected* economically, our economic fortunes are *dependent* upon each other.

A key task of the research was to find compelling approaches to communicating these essential elements in ways that are readily grasped by the public, can *compete* with the more dominant and unproductive perspectives and inoculate against them with alternative *commonsense* views. After an extensive and multi-faceted exploration it became clear that a new and more constructive conversation about the economy is indeed possible, and is based on two related, core ideas:

- » **Public Structures as Economic Foundation:** The “public structures” created and maintained by government are foundational to prosperity and economic stability, as well as the strength of the middle class.
- » **The Intentional Middle Class:** A strong middle class, which is the engine driving our economy, doesn’t arise by accident, but is the result of deliberate and proactive policy choices.

When exposed to these concepts, which can be expressed in a variety of different ways, research respondents shifted to more constructive perspectives that inherently assume a role for government. They began to see that:

- » Collective responsibility and proactive steps – the actions we take *as a nation* (rather than as individual economic actors) – are what create the outcomes we want.
- » Broad-based prosperity has followed from our deliberate efforts to build the middle class.
- » True prosperity rests on shared fate, not individual opportunity or success.
- » Systems (like the FDIC, community colleges and Social Security) are built collectively and yield collective benefits.
- » Public structures are smart investments that end up paying for themselves.

### *Why These Core Ideas Work So Well*

#### **Public Structures are a Foundation of the Economy**

The idea of “public structures” – systems (both physical and organizational) that are created and maintained by government for collective benefits – has proven to be a useful tool for framing constructive conversations about government’s role in American life generally. Ever since Topos principals first developed this concept, Public Works has used this organizing idea to good effect in helping advocates create more compelling stories about what the public sector contributes to our quality of life.

The new research leverages the power of the public structures concept by extending its significance more specifically and concretely to economic conversations. In short, the public structures approach focuses not on people, but on systems that are built collectively and yield collective benefits. Americans exposed to examples and descriptions of public structures’ fundamental role quickly take on a new and much richer (and more accurate) perspective towards the workings of the economy. This core idea proves to be a powerful and flexible tool for shifting thinking away

from the dominant view of Individual Actors as the prime shapers of the economy and toward an emphasis on constructive government action that produces broadly-shared economic prosperity.

Importantly, Americans of all political persuasions are willing to agree that public structures are smart investments that end up paying for themselves, and are worth supporting *even if it means more debt in the short run*. In this way, the public structures concept can help inoculate against growing American concerns about the deficit.

One of the great advantages of the public structures idea is its versatility. It is not difficult to apply the model to a number of specific economic issues. For examples of different applications of the concept see the *Promoting Broad Prosperity* (Topos Partnership, October 2009).

### **The Middle Class Is No Accident**

Americans hold almost mythological notions of the Middle Class and its conceptual power is deeply connected to our self-image as a country. There is a widespread sense that our success as a nation has been directly tied to our uniquely robust middle class. But an understanding of how a strong middle class “happens” is not readily available to most people. When communications bring clarity to the idea that the American middle class has been deliberately and actively built and that maintaining a middle class takes long-term planning and particular kinds of policies (like an affordable college education, home mortgage deductions to encourage homeownership, and tax and investment policies that allow people to build more savings), it creates both learning and motivation.

Importantly, this approach features the middle class as an objective that policy can help achieve – not one group of people competing for resources with other groups of people. It is useful both for promoting broad-based policies as well as policies that work to lift poor and working class families into the middle class.

People find the idea that a strong middle class doesn’t emerge by accident, but is intentionally created by smart policies, to be important, and not necessarily familiar. And once people are made aware of the important role of policy in creating a strong middle class, they focus on the ways in which we can intentionally shape the economy with the goal of creating widespread prosperity. These ideas are also motivating because Americans easily accept the idea that, for a variety of reasons, middle class prosperity typically translates to prosperity for the rest of society and the economy. Such broadly shared benefits make government action a natural expectation.

### ***New Explanatory Models for the Role of Government***

In addition to the core communications elements discussed above, this project has also developed additional explanatory strategies. One of the key problems facing communicators in this area is that Americans tend to default to mental pictures that omit key elements and ideas, *without which an active government role often seems unnecessary, unnatural or ill-advised*. Offering audiences new, “user-friendly” ways of seeing certain fundamental points can go a long way towards creating more constructive perspectives and dialogue.

Two particularly promising approaches have emerged from the project. Importantly, each strikes listeners as a *new* way of seeing the point in question. In addition to helping clarify complex ideas, these explanatory strategies have proven to be both compelling and memorable to many Americans.

### **Directing the Flow of Money**

The idea that one should “follow the money” has a long pedigree as a key principle for understanding a given situation, organization, society and so on. Testing with many research subjects suggests that versions of this point can create important insights and perspective shifts with average Americans.

One particularly effective strategy uses a hydraulic metaphor to describe how particular policies affect economic outcomes:

Policies → Direct the “Flow” of Money → Leading to Particular Outcomes



The following is one illustration of how this point can be expressed:

*Experts say American voters really need to focus more attention on the complex set of laws and policies that together act like a giant plumbing system directing money to different parts of our society. Two examples of how this important system works: Laws that make it harder to declare bankruptcy end up directing money towards credit card companies, and policies that offer student loan guarantees channel money towards families. In fact, this network of policy “pipes” is how we create the kind of economy and society we want. For example, if we want to encourage certain kinds of businesses, or make families stronger, or cut down on pollution, one of the key ways we do that is by adjusting the system of policies that direct the flow of money<sup>1</sup>.*

When Americans are armed with this insight and mental picture, they are often better able to focus on and form opinions about economic policy, and to recognize the stake we all have in the shape these policies take.

### **Government Paves the Way**

The second strategy focuses on the essential role that government plays in economic innovation. Conveying this simple idea is surprisingly difficult and can easily trigger problematic reactions. However, there is one organizing idea that was highly effective in testing:

*The US government has always paved the way for new businesses and industries, in a variety of ways.*

The following sample text was used effectively in testing and expands upon this clear and apt metaphor to include several aspects of the recommended approach:

*One of the things that has always boosted the economy most is new products, new ideas, new industries. And these major innovations have almost always depended on government “paving the way” for businesses, rather than just “getting out of the way.” For example:*

- » *Government-supported researchers develop a new idea and companies make it profitable (Internet, various medicines).*
- » *Government creates a regulation, and companies compete to find better ways of doing things (more efficient light bulbs).*
- » *Company invents something, and government purchases enough to get the industry launched (microchips).*

*Economists say government paving the way has always been one of the keys to the US's economic success and leadership.*

In addition to conveying the central organizing point above, the text reinforces the idea that new ideas are a key to economic strength; draws an effective and memorable contrast between “paving the way” and “getting out of the way;” offers clear and diverse examples of *how* government paves the way; and reminds readers/listeners that this is a long-standing pattern in how new ideas become world-changing realities.

Future products from this project will offer practical advice and tools for applying the lessons, approaches and models referenced in this summary.

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1. Note that the paragraph is structured as material for “TalkBack” testing, a method in which subjects are approaching the topic “cold,” with no prior context for the conversation, and their response to a single, core idea is being assessed.

## CONCLUSION

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The story that Americans currently tell themselves about the economy reflects a uniquely American perspective, and creates tremendous challenges for advocates seeking to change economic policy. This story sends the message that economic conditions are subject to natural fluctuations much like the weather. The only influence we have on the economy is as private, success-driven individuals who either work hard and get ahead, or don't and fall behind. In this story, government action is a last resort and is used only to protect the deserving and to police bad actors, and even then it risks creating dependency and stifling business productivity.

While the research undertaken by Topos on behalf of Dēmos has uncovered deep-seated public perspectives about the economy that hinder productive engagement in economic policy, it has also identified the core elements needed to reshape public discourse and understanding. Those who would support a more active role for government in a whole range of economic policies will need to carefully avoid the traps that trigger unproductive thinking while consciously and deliberately evoking a new perspective.

Americans need to hear – and feel comfortable telling – a story that offers alternative images and understandings that will allow them to feel competent and confident in asserting a new role for themselves as citizens and stewards of a shared prosperity. This story must also help them see the possibility of a constructive government role that implements policies that shape economic conditions and foster a shared prosperity.

Importantly, Americans must hear this story often, from a range of sources, and in a variety of contexts. The current default perspectives are stubbornly entrenched as “common sense,” and are perpetuated, reinforced and to an extent even created by the kinds of references that are most common in the media – from the latest headline-grabbing scandal (featuring individuals as bad or good actors) to the various “forecasts” about the economy, to human interest stories about families struggling to make it in tough times, finding clever ways to adapt, getting help from the government (or not); etc. Introducing a new story to this public mix will require the committed efforts of a range of like-minded advocates and organizations.

The workings of our economy and the nature of government's role may be difficult topics for average Americans and experts alike, but the desire to create broadly shared opportunity and prosperity is a goal that is widely shared. Engaging the public in the essential and active role that government must play to achieve this outcome is the task ahead. It is time to tell a new story about the economy.



## ABOUT TOPOS

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Founded by veteran communications strategists Axel Aubrun and Joe Grady of Cultural Logic and Meg Bostrom of Public Knowledge, Topos has as its mission to explore and ultimately transform the landscape of public understanding where public interest issues play out. Our approach is based on the premise that while it is possible to achieve short-term victories on issues through a variety of strategies, real change depends on a fundamental shift in public understanding. Topos was created to bring together the range of expertise needed to understand existing issue dynamics, explore possibilities for creating new issue understanding, develop a proven course of action, and arm advocates with new communications tools to win support.

[www.topospartnership.com](http://www.topospartnership.com)



## ABOUT DĚMOS

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**Dēmos** is a non-partisan public policy research and advocacy organization. Headquartered in New York City, Dēmos works with advocates and policymakers around the country in pursuit of four overarching goals: a more equitable economy; a vibrant and inclusive democracy; an empowered public sector that works for the common good; and responsible U.S. engagement in an interdependent world.

Dēmos was founded in 2000.

Miles S. Rapoport, President

Tamara Draut, Vice President of Policy and Programs

220 Fifth Avenue, 5th floor | New York, New York 10001 | [www.demos.org](http://www.demos.org)

**Public Works: The Dēmos Center for the Public Sector** was initiated by Dēmos as a deliberate attempt to address America's lack of trust in, understanding of and support for the essential roles of government. Grounded in thorough research and refined through extensive field-work with state organizations and national constituencies across the country, the Public Works approach to this problem has yielded enhanced understanding of how we can create a more receptive public audience for constructive conversations about government.

402 Vale Street | Austin, Texas 78746 | [www.demos.org/publicworks](http://www.demos.org/publicworks)

## ABOUT THE RESEARCH

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This analysis is based on a three year investigation by Topos of American understandings of government's role in the economy. An Exploratory phase in 2007 included an analysis of expert and advocate communications, a review of public opinion data, and a series of in-depth interviews (cognitive elicitations) with average Americans. The Strategy Development phase conducted in 2007 – 2008 included Talkback testing of explanatory messages, focus groups, and a survey. In order to verify and update the recommendations after the dramatic turn in the economy in late 2008, a new round of research was conducted in March – July 2009 including new reviews of recent public opinion research, plus more individual interviews and TalkBack testing of messages.