



AMERICA SPEAKS
Our Budget, Our Economy

**Preliminary Findings from National Town Meeting across
Nearly 60 Cities and among 3,500 Americans**

**Written Testimony Prepared for the National Commission on
Fiscal Responsibility and Reform**

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June 30, 2010

Table of Contents

Who is AmericaSpeaks?	Page 3
Who Participated?	Page 4
What Was Discussed at the National Town Meeting?	Page 5
How Did the National Town Meeting Work?	Page 6
How Will Results from the National Town Meeting be Reported?	Page 6
What are the Preliminary Outcomes of the National Town Meeting?	Page 7
Conclusion	Page 8
Appendix A: Who Participated?	Page 9
Appendix B: National Advisory Committee	Page 10
Appendix C: Options Workbook	Attached

Who is AmericaSpeaks?

AmericaSpeaks is a non-partisan, non-profit organization that I founded in 1995 with the mission of providing the American public with a greater voice in the policy making process. Our democracy is deeply broken and has been for some time. I founded AmericaSpeaks to develop new methods and processes for convening large, diverse groups of citizens to find common ground and inform the policy making process.

Track Record: Over the past 15 years, AmericaSpeaks has engaged more than 150,000 people in deliberative processes to inform and shape decisions on a wide range of issues. In 1998-99, AmericaSpeaks engaged 45,000 Americans in a national discussion on Social Security. In 2002, we engaged 5,000 New Yorkers in shaping the redevelopment plans for the World Trade Center after 9/11. Between 1999 and 2005, we engaged more than 10,000 residents of Washington, DC, in shaping their city's budget priorities. In 2005-6, we engaged several thousand residents of New Orleans, many of whom had not yet returned home, in developing their city's recovery plan after Hurricane Katrina.

Approach: At least six elements are unique to our work:

- AmericaSpeaks is absolutely committed to preserving our role as an honest, neutral broker of public deliberations. We have not and will not take a position on the issues around which we convene the public.
- AmericaSpeaks believes that every effort must be made to ensure that participation among the public should be as representative of the community's actual demographics as possible.
- AmericaSpeaks convenes the public in informed, facilitated deliberative processes before asking people to express their individual or collective priorities.
- AmericaSpeaks uses technology to ensure that authentic face-to-face deliberations can be taken to scale and shared public priorities can be identified.
- AmericaSpeaks convenes the public at a large enough scale to inform the policy making process.
- AmericaSpeaks engages the public in the context of actual decision making to ensure that the public's priorities can be heard.

Funding: On June 26, 2010, AmericaSpeaks convened a National Town Meeting across nearly 60 cities about the nation's long-term fiscal challenges. The project was made possible through grants from the Peter G. Peterson Foundation, W.K. Kellogg Foundation, and the John D. and Catherine T. MacArthur Foundation.

Who Participated?

AmericaSpeaks convened a diverse group of Americans across nearly 60 cities on June 26, 2010. At 19 meeting sites, diverse groups of dozens to several hundred people came together, in what are known as 21st Century Town Meetings®. They were joined by people at 38 volunteer-organized Community Conversations across the nation, plus one Community Conversation in Second Life on the Internet. All 58 meeting sites were linked together by satellite and a webcast to create a single, truly national conversation.

Demographic Diversity: We are still tabulating data from the Community Conversation sites, where we did not have keypad polling technology, but our initial demographic polling of participants found that the National Town Meeting engaged a broad cross-section of the American public. At tables across the country, we had members of local Tea Parties sitting down with activists from MoveOn. Business owners sat with union members. Participants were young and old, liberal and conservative, rich and poor, and from every race and ethnic background.

- **Race:** By race and ethnicity, for example, our demographics matched the nation's demographics within a few percentage points, except for underrepresentation among Latino participants.
- **Income:** By income, while participation did slightly favor higher incomes, 17% of participants had an annual household income of less than \$25,000 a year.
- **Views on Economic Issues:** 26% of participants said they tended to view themselves as liberal on economic and fiscal issues. 18% said they were somewhat liberal, 23% said they were moderate, 13% said they were somewhat conservative, and 20% said they were conservative.
- **Age:** Ten percent of participants were between the ages of 17-24 – less than the national average, but still quite high for a public forum on a Saturday to discuss the federal budget.

Enclosed with this testimony, please find fuller demographic results in the appendix.

Congressional Participation: Current and former members of Congress participated either in person or via video and included Senator Kent Conrad (D-ND), Senator John Cornyn (R-TX), Senator Jim DeMint (R-SC), former Senator and co-chair of the Bipartisan Policy Center's Debt Reduction Task Force Pete Domenici (R-NM), Senator Lindsey Graham (R-SC), Senator Judd Gregg (R-NH), Representative Eddie Bernice Johnson (D-TX), Representative Chaka Fattah (D-PA), Representative Bobby Scott (D-VA) and Representative John Spratt (D-SC).

Senator Conrad, Senator Gregg and Representative Spratt serve on the President's National Commission on Fiscal Responsibility and Reform. Dr. Alice Rivlin, senior fellow at the Brookings Institution, President's fiscal commission member and co-chair of the Bipartisan Policy Center's Debt Reduction Task Force, was in attendance the whole day and provided remarks at the end of the program.

What was Discussed at the National Town Meeting?

The National Town Meeting sought to provide the public with an opportunity to struggle with the kinds of tough choices facing policy makers as they look to address our nation's long-term fiscal challenges. In order to do so, we assembled a large diverse National Advisory Committee to develop and provide feedback on the policy options that would be presented to the public. Our intent was not to be comprehensive, but rather to offer a set of choices that were roughly reflective of the kinds of options that are in front of the Commission today.

National Advisory Committee: The National Advisory Committee consisted of 31 experts and advocates from across the political spectrum. More liberal organizations on the committee included the Center on Budget and Policy Priorities, Center for American Progress, the Coalition on Human Needs, the Economic Policy Institute, the National Academy of Social Insurance, and the National Council of La Raza. More conservative organizations on the committee included the American Enterprise Institute, the Heritage Foundation, the Hudson Institute, the National Tax Payers Union, the Tax Foundation, and the US Chamber of Commerce. A full list of members can be found in the appendix.

Discussion Materials: Working with our National Advisory Committee, AmericaSpeaks developed two documents for the National Town Meeting: an introduction to fiscal issues, called Federal Budget 101, and a review of 42 policy options, called the Options Workbook. The Options Workbook served as the primary guide for the "Making Tough Choices" exercise that took place at the forum. Participants were provided with a challenge of reducing the deficit in 2025 by \$1.2 trillion. They were then presented with 42 options to cut spending and raise revenues to achieve these savings.

Deficit Reduction Target: The \$1.2 trillion target in 2025 was set because such a target (a) would stabilize the debt-to-GDP ratio, (b) was viewed by a bi-partisan group of experts as achievable through a variety of pathways, and (c) was not so far off as to be difficult for participants to imagine or take seriously. The spending options were divided into four sections: Health Care, Social Security, All Other Non-Defense, and Defense. Revenue options were also divided into four sections: Raising Rates, Reducing Deductions and Credits, Reforming the Tax Code, and Establishing New Taxes. Brief arguments for and against each option were also provided. Participants were encouraged to also submit additional options and ideas that went beyond the materials provided in the Options Workbook.

Program Agenda: At the National Town Meeting, participants began by talking about what it would mean to have a civil discussion. They talked about their common hopes and values for guiding decision making. They briefly discussed the economic recovery and used keypad voting to weigh in on short-term economic policies. After spending a half hour reviewing the options, each table group spent about two hours working to reach the deficit reduction target. They then identified their own individual priorities, created messages that they wanted to send to policy makers, and discussed actions they could take personally and collectively.

Achieving the Target: Across the board, participants took the exercise very seriously. Walking around the room in Philadelphia, I was deeply impressed by the depth with which participants grappled with the trade offs. **All told, 47% of the 350 tables across our 19 primary sites reached the target of \$1.2 trillion.** An additional 11% reached \$1.1 trillion in deficit reductions, 7% reached \$1 trillion, 7% reached \$900 billion, 5% reach \$800 billion, 8% reached \$700 billion, 6% reached \$600 billion, and 10% reached less than \$600 billion.

How Did the National Town Meeting Work?

Participants at the National Town Meeting spent most of the 6.5 hour program working in small groups with skilled, neutral facilitators. Over the course of the day, participants heard brief presentations and used their discussion guides as reference materials. Budget and program experts were available to answer questions about the options as they arose.

Participants submitted the ideas and decisions they generated at their tables through laptop computers at each table. A team of analysts, known as the “theme team”, read all the ideas coming in from the table groups and periodically reported on the national themes that were heard from the discussion. Then, participants used voting keypads to register their priorities. A video link between the sites also let participants share their ideas and views with others across the country.

How Will the Results from the National Town Meeting be Reported?

AmericaSpeaks only has preliminary data from the National Town Meeting today, as the meeting itself took place only four days ago. Our preliminary findings are based on the reports generated by the keypad voting system, as well as discussion themes that were analyzed by the “theme team” during the event itself. This data does not include an analysis of the packages developed by tables, break downs of priorities by demographics, nor data from the Community Conversation sites.

In the coming weeks, *AmericaSpeaks* will be able to provide a complete report that includes these elements and adjustments to polling data, as well as the raw data from the meeting, which includes hundreds of pages of ideas generated by tables, as well as full polling data.

Additionally, an evaluation team from Harvard University and the University of California is undertaking an evaluation of who participated in the process and how they were impacted through their participation in the process.

What are the Preliminary Outcomes of the National Town Meeting?

Overall Messages

First and foremost, it is important to emphasize how seriously participants in the national discussion took the task of addressing our fiscal challenges. 3,500 Americans dedicated an entire Saturday to working with fellow citizens to wrestle with the federal budget. All but 15 percent of participants at the 19 sites said they were influenced by what they heard from other's at their tables. More than half said they "learned a great deal" about the nation's budget challenges during the event and 39 percent said they "learned a few things."

Above and beyond anything else, the messages that participants said they wanted to send to leaders at the end of the day focused on the process rather than the content of the discussion. Among the most common sentiments from table groups were:

- "Can you be elected officials first and politicians second? Our table balanced the budget in less than an hour."
- "Abandon the failed politics of partisanship." "You can't demonize each other and expect us to trust you."
- "Please find the political will to use this input as if it were coming from a powerful lobbying group – because we are!"
- "Listen to the people and not special interests."
- "We need to deal with these issues now!"

89% of participants in the 19 sites said they were dissatisfied or very dissatisfied with the tone and quality of political discussion in our country today. In contrast, 91 percent of participants said they were satisfied or very satisfied with the tone and quality of discussions at the National Town Meeting.

Preliminary Findings on Economic Recovery

Before discussing the long-term fiscal challenges facing the nation, participants briefly weighed in on the nation's economic recovery in the short term. Very few participants said that the economy appeared to be clearly getting "better." About a third of participants said it was getting "somewhat better" this year, a quarter said it was "about the same," and the remaining 42% of participants said it was getting "somewhat worse" or "worse."

More than 6 in 10 participants at the 19 meeting sites said that the government should be doing more to strengthen the economy. Just over 50% said they were supportive or somewhat supportive of the legislation that recently passed the House of Representatives but did not pass the Senate, which would have provided aid to state governments and extended unemployment insurance. 38% of participants said they were "unsupportive" or "somewhat unsupportive" of the legislation.

Preliminary Findings on Spending Options

In general, participants expressed reluctance to reduce spending on those programs that support our most vulnerable populations, but demonstrated a willingness to reduce spending in order to reach the deficit reduction target. A majority of participants supported at least a 5% reduction in federal health care spending and in “all other non-defense spending” with some supporting higher levels of reductions. Participants expressed strong support for reducing spending on national defense as a means to reach their deficit reduction target with a majority supporting a 15% cut and additional participants supporting a 10% cut.

Relatively little support was expressed for reducing Social Security benefits to achieve deficit reductions, with the most popular of these options being an option to raise the age of achieving full benefits to 69 by 2025. Significant support was expressed, on the other hand, for raising revenues through payroll taxes. Far and away, the most highly supported of all options presented by AmericaSpeaks was an option to raise the payroll tax cap on earnings to 90%. Additional feedback through the computers suggested that some participants supported eliminating the cap all together.

Preliminary Findings on Revenue Options

Participants expressed support for raising revenues through increasing tax rates to those in the top tax brackets and to those earning more than \$1 million a year. They expressed considerably lower support for options that would increase tax rates across the board on all taxpayers. Significant support was also offered for raising the top corporate income tax rate by five percentage points and on raising capital gains tax rates.

A majority of participants did not express support for reforming the tax code by removing large deductions and applying those deductions to deficit reduction and lowering taxes. Those that did favored applying larger, rather than smaller, portions to deficit reduction over reducing taxes.

A majority of participants expressed support for the establishment of both a securities-transaction tax and a carbon tax. Little support was provided for the establishment of a Value Added Tax.

Other Options

AmericaSpeaks will provide a detailed report on additional options and feedback provided by participants in the coming weeks.

Conclusion

In the end, participants in the National Town Meeting demonstrated that the American public cares about the fiscal challenges facing the country, is able to grasp the difficult trade-offs involved with resolving the challenges, and can offer policy makers strong guidance about the kind of policies that they are willing to support. They offered a plea to policy makers to set aside partisan differences and get on with the work of addressing our most pressing problems. I hope that the Commission will take their feedback seriously and follow their example of civil, productive problem solving in the spirit of the common good.

APPENDIX A: WHO PARTICIPATED?

Race	6/26	Census
African American	16%	12%
Asian	3%	4%
Caucasian	68%	65%
Latino	5%	15%
Native American	1%	1%
More than One	5%	1%
Other	3%	1%

Age	6/26	Census
17 - 24	10%	18%
25 - 34	9%	17%
35 - 44	9%	18%
45 - 54	18%	18%
55 - 64	29%	14%
65 or Older	25%	16%

Household Income	6/26	Census
Less than \$25,000	17%	23%
\$25k - \$50k	21%	25%
\$50k - \$75k	20%	19%
\$75k - \$100k	16%	12%
More than \$100k	26%	21%

Views on Economic/Fiscal Issues	6/26
Liberal	26%
Somewhat Liberal	18%
Moderate	23%
Somewhat Conservative	13%
Conservative	20%

APPENDIX B: NATIONAL ADVISORY COMMITTEE

John Rother, AARP
Joe Antos, American Enterprise Institute
Norm Ornstein, American Enterprise Institute
Henry Aaron, Brookings Institution
Thomas Mann, Brookings Institution
John Castellani, Business Roundtable
Neera Tanden, Center for American Progress
Robert Greenstein, Center on Budget and Policy Priorities
Deborah Weinstein, Coalition on Human Needs
Maya MacGuineas, Committee for a Responsible Federal Budget
Jonathan Gruskin, Concerned Youth of America
Robert Bixby, Concord Coalition
Larry Mishel, Economic Policy Institute
Mark Zandi, Economy.com
Donna Butts, Generations United
Stuart Butler, Heritage Foundation
Diana Furchtgott-Roth, Hudson Institute
George Muñoz, Muñoz Group
Janice Gregory, National Academy of Social Insurance
Barbara Kennelly, National Committee to Preserve Social Security and Medicare
Sarah Hicks, National Congress of American Indians
Linda Rosenberg, National Council of Community Behavioral Health Association
Leticia Miranda, National Council of La Raza
Duane Parde, National Tax Payers Union
Marc Morial, National Urban League
Mark Paul, New America Foundation
George C. Wu, OCA National
Scott Hodge, Tax Foundation
Rudolph Penner, Urban Institute
Margaret Simms, Urban Institute
R. Bruce Josten, US Chamber of Commerce

APPENDIX C: OPTIONS WORKBOOK

See attached