

## CED Report Calls for Boosting Opportunity by Decreasing Inequality

**April 7, 2016 – Washington, D.C.** – Today, the Committee for Economic Development of The Conference Board (CED) released a [report](#) detailing the causes of, and recommended solutions to, economic inequality. A group of business leaders from diverse industries nationwide, all of whom are members of the nonpartisan public policy organization, oversaw the study's formation.

[Tackling Economic Inequality, Boosting Opportunity](#) points to a troubling, decades-long lag in real income growth for most Americans as a chief contributor to inequality. Depressed incomes have come from, among other factors, increased automation, health care costs, global competition, and lower education standards. Some inequality also has arisen from successful innovations and investments – a byproduct of free enterprise that CED embraces.

“Economic inequality concerns a broad swath of citizens, from high-income to low-income, living in red and blue states,” said Larry Thompson, a former U.S. Deputy Attorney General and Executive Vice President of PepsiCo, and currently a law professor at the University of Georgia and Co-Chair of CED’s Sustainable Capitalism Subcommittee. “Through respectful deliberation, we at CED have put forth a bipartisan blueprint – from business, for the American people – that merits serious consideration by Congress.”

[Report recommendations](#), spanning education to taxation, derive from a commitment to creating equality of opportunity – a CED principle and lynchpin to achieve shared prosperity. Selected proposals include:

- **Expand access to early childhood and higher education.** Evidence indicates that early education, particularly for at-risk children, is one of the best investments for developing our future workforce. On the postsecondary front, well-paying and stable jobs now increasingly go to those with advanced education beyond high school – and will to an even greater extent in the future.
- **Reform the health care system.** Skyrocketing health care costs consume an increasing portion of companies’ payrolls, leaving workers with less take-home pay. Making quality care affordable – which would free up money for higher pay – requires policies that foster greater market-based competition. These include allowing private and public exchanges to compete, and creating a national insurance marketplace.
- **Reform the tax system.** Now the highest among industrialized nations, the U.S. corporate tax rate places America’s companies at a severe disadvantage with their global competitors. \$2 trillion of offshore cash held by the Fortune 500 and the corporate inversions trend are symptoms of the problem. Millions of Americans suffer from less pay as a result. Changes must include a more competitive rate coupled with tax reform that closes loopholes.
- **Expand the Earned Income Tax Credit (EITC).** By supplementing modest wages, the EITC makes work more attractive for those especially at entry- and low-wage levels of employment. It does not add to employer costs, as does the minimum wage, and thus does not discourage hiring or fuel inflation.

“Creating a level playing field holds the greatest potential for mitigating inequality,” said Bo Cutter, a Senior Fellow at The Roosevelt Institute and Co-Chair of CED’s Sustainable Capitalism Subcommittee. “Our plan achieves just that, all while staying true to the spirit of our free enterprise system.”

“Today’s business statesmen and stateswomen must ensure the next generation can attain the American Dream just like they could,” said Patrick Gross, Chairman of The Lovell Group and Co-Chair of CED’s Sustainable Capitalism Subcommittee. “My CED colleagues and I hope to inspire others in the business community to extend their leadership beyond company walls and follow suit.”

The report, executive summary, and policy brief can be viewed [here](#).

**About the Committee for Economic Development**

Founded in 1942, the Committee for Economic Development of The Conference Board (CED) is a nonprofit, nonpartisan, business-led public policy organization that delivers well-researched analysis and reasoned solutions to our nation’s most critical issues. CED’s work is grounded on seven core principles: sustainable capitalism, long-term economic growth, efficient fiscal and regulatory policy, competitive and open markets, a globally competitive workforce, equal economic opportunity, and nonpartisanship in the nation’s interest. Learn more at [www.ced.org](http://www.ced.org).

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