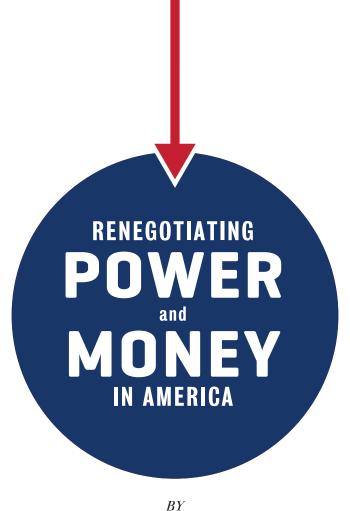


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ERICA PAYNE

AND THE

PATRIOTIC MILLIONAIRES

With JOSH NANBERG, writer, and JULIE TENINBAUM, graphic designer

ACKNOWLEDGEMENTS

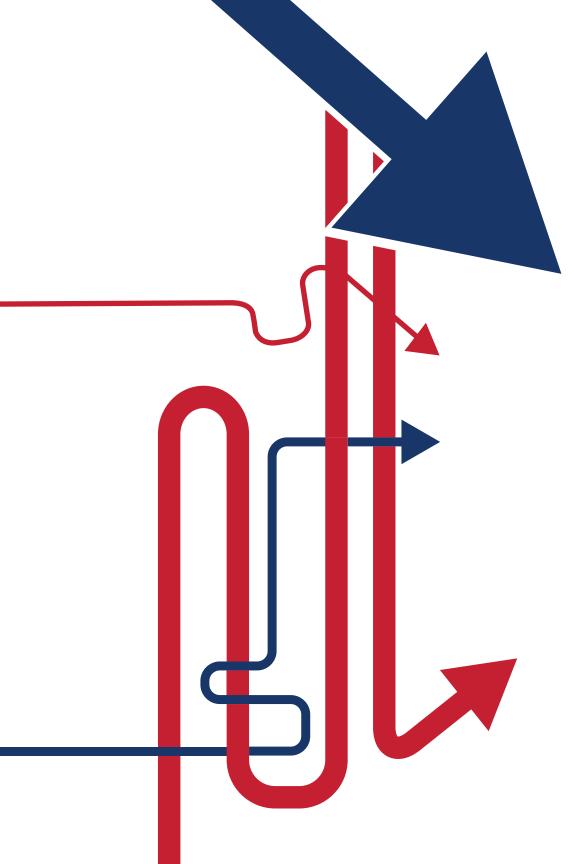
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The Patriotic Millionaires would also like to acknowledge the contributions of Erik Altieri, Wesley Brown, Kathryn DeSimone, Gene Haigh, and Mackenzie Slade.



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Five years ago, a few dozen millionaires came together with a plan. They would use their power, influence, and access to lobby Congress and bend it to their will. It sounds like the same old depressing scenario, but this story has a twist.

Rather than leaning on lawmakers to advance their personal financial interests, these "Patriotic Millionaires" were engaged in an exercise in civic virtue. They wanted to do what was right for the country—the whole country. They wanted to support the millions of Americans working hard to create a better future for themselves and their families

They came to Washington with a simple message and an earnest request:

"PLEASE RAISE OUR TAXES."

Word spread quickly. Hundreds of media outlets across America covered the Patriotic Millionaires' crusade to raise taxes on the extremely wealthy—people like themselves—for the good of the country. Even the international community took note. Czech president Václav Kalus referenced the Patriotic Millionaires in an address to parliament about his nation's tax policy. The largest television station in Japan and Dagens Nyheter, a Swedish magazine, featured the group.

The idea of a group of millionaires doing something so unexpected, something so obviously against their financial self-interests sparked the public imagination. Letters and emails came in from across the country. Most were incredibly positive. A student who had just filed her first tax return wrote:

"Your willingness to give back, and your urgency in asking the government to demand that those who can most afford to do so do, is most heartening."

A few were less enthusiastic. One memorable fellow scolded the Patriotic Millionaires: "You obviously know nothing about taxes," he said. A quick Google search revealed that the gentleman had spent six months in prison for tax evasion.

A few angry politicians suggested that if the Patriotic Millionaires cared so much, they should just write personal checks to the IRS. But most people understood the obvious: moving our country forward requires all of us working together, and sometimes you have to compel people to do the right thing.

In 2012, the Patriotic Millionaires stood on the podium with the president for his annual Tax Day address as he railed against a tax system that allows millionaires to pay lower taxes than their secretaries. A few months later, our government leaders did do the right thing. They let the Bush tax cuts for the richest Americans expire at last. On January 2, 2013, the president signed into law the American Taxpayer Relief Act, which, among other things, raised the marginal tax rate on the wealthiest Americans.

Hard-fought victory in hand, the Patriotic Millionaires turned their attention to an even more fundamental problem: wealth inequality.



The wealth gap in the U.S. is more extreme than at any time since the Great Depression. The top 1% owns about 30% of the country's wealth. The top 10% owns about 70%. The bottom 40%? Nothing. 0% of the wealth. In fact, many of this 40% actually have a negative net worth. They owe more than they own.

Even more problematic? The divide is getting worse.

Patriotic Millionaire Dan Berger summed up the feelings of the whole group when he said, "This level of inequality is both a profound moral crisis and a national embarrassment."

The human face of this problem is the Walmart worker who described the shame she felt for yelling at her daughter who had eaten the last can of tuna for lunch. They had nothing left to eat for dinner.

The important word in that sentence is "worker." Some studies estimate as many as one in four private sector jobs pay less than \$10 an hour. The federal minimum wage has stood at \$7.25 an hour (or \$15,080 annually) for more than six years. The poverty line for a two-person household, for example a mother and a child, is \$15,930. Our laws have codified society's acceptance of the idea that millions of Americans will work full-time and still live in abject poverty.

Compelled by this moral crisis, the Patriotic Millionaires began an aggressive public education campaign. In 2013, they launched a "Smart Capitalism" campaign to explain to citizens and lawmakers that higher wages would benefit both workers and the country more broadly.

On February 12, 2014, the Patriotic Millionaires joined the president as he signed an Executive Order raising the minimum wage for federal contract workers to \$10.10 an hour, a critical first step toward building a stronger, more stable economic foundation. But while we applaud the president's action, the change impacts only a relatively small number of earners. We actually need a full recalibration of our economy, including a substantial investment in the earnings of low-wage workers. The North Star of this ambitious "Smart Capitalism" initiative is raising the federal minimum legal wage from \$7.25 to \$15 an hour and indexing it to inflation. Only through decisive federal action that applies to all workers in all 50 states can we ensure a stable and more prosperous economy over the long run.

Both of these fights—raising taxes on millionaires and raising the minimum wage— have two very interesting things in common: overwhelming *bipartisan* support from citizens across the country, and vehement opposition from industry group lobbyists and self-interested corporate CEOs.



WE'RE GOING TO NEED A BIGGER BOAT.

In late 2014, the Patriotic Millionaires joined forces with Wealth for the Common Good, a powerful network of business people and high-net-worth individuals, founded in 2007 by Chuck Collins, the heir to the Oscar Mayer fortune. Together under one roof, these influential Americans began developing a new plan, one that would wrest control of policy-making away from wealthy Americans like them, and away from corporate CEOs and their lobbyists.

At the heart of their plan is a very simple concept, the idea that started it all: representative democracy. A system enshrined by our founders and improved upon throughout our history—until recently.

In a functioning representative democracy, lawmakers truly represent their constituents' interests and preferences and work together to craft laws that reflect the shared priorities of the citizenry. This has particular importance when the "will of the people" includes not just a simple majority but also the overwhelming and bipartisan majority as most of the proposals in this book do. From red states to blue, Americans regardless of party affiliation agree that millionaires should pay higher taxes and that an honest day's work should provide a decent living.

So why doesn't that happen?

It's simple. Voters don't have enough power; millionaires have too much. Patriotic Millionaires Chairman Morris Pearl put it this way: "A tiny number of people are using their money to increase their political power and using their political power to increase their wealth, and it is killing the country."

So now, five years after they asked the president and Congress to raise their taxes, the Patriotic Millionaires are back with a new request: more power for voters, significantly less for millionaires.

The Patriotic Millionaires know a shift in political power will both build a more prosperous country and ensure that the prosperity is shared by millions of Americans rather than by just a few thousand elites. These influential leaders have as their goal a more economically fair country. "I don't want to be wallowing in my money while everyone else is suffering," said Patriotic Millionaire Frank Jernigan, a former Google engineer.

Unfortunately, a well-organized cadre of millionaires and billionaires are exercising their control over politicians and policy-making to ensure that critical changes never materialize. They, and the lobbyists they hire, are dead set against the kinds of changes the Patriotic Millionaires—and the vast bipartisan majority of

Americans—seek. Overcoming their objections (and their power and money) will require all of us to work together across party lines and economic differences to build the kind of robust democracy and stable, prosperous country most of us want.

The merger of the Patriotic Millionaires with Wealth for the Common Good marks a pivotal moment. Together, these "traitors to their class" represent hundreds of the country's wealthiest and most influential citizens, and billions of dollars of economic activity.

This volume is the first in a series of eBooks to be released over the course of 2016, as the Patriotic Millionaires work to highlight a set of solutions that can move our country forward to a more prosperous, stable, and inclusive future. Working together, we can assure the adoption of rational policies that encourage a vibrant economy and the inclusive society the vast majority of Americans want.

Will the fight be hard? Sure, the most important ones are.

Will it be impossible? Not even close.

In fact, we could revitalize our democracy, raise millions of Americans out of poverty, and start to reinvest in our country by this time next year if, over the next 12 months, we commit to creating an overwhelming demand—a true public mandate—for economic policies that enrich hard-working Americans and political process policies that facilitate citizen participation in our decision-making.

LET THE RENEGOTIATION BEGIN.



Let the renegotiation begin.

THE AMERICAN NEGOTIATION

The New Deal...the Fair Deal...the Real Deal...
Let's Make a Deal

Americans love a negotiation. In many ways, our country's story can be understood as an ongoing process of negotiation and renegotiation, the goal of which is a more perfect union. And from the beginning, those negotiations revolved around two things: power and money.

Tussles with King George III didn't immediately give way to the American Revolution; there was an initial period during which the colonists—unable to accept taxation without representation—tried to negotiate greater autonomy from the Crown. Revolution only came when the rift between the rulers and the people became too great.

And once we won our independence from Britain, the United States went through cycle after cycle of negotiation. The Articles of Confederation gave way to a federal constitution. When the founders adopted the Constitution, their goal was to ensure a representative government based on the uniquely American principle of one man, one vote. As they sought to equalize political power, they simultaneously tried to ensure a balance of power across the institutions of government by designing a system of checks and balances between three coequal branches of government.

The Connecticut Compromise of 1787 mitigated the power of large states in the federal government. The 1790 "dinner table bargain" between Alexander Hamilton and James Madison averted two political crises—one related to the nation's finances, one to the seat of power—that could have smothered our nation in the cradle.

These renegotiations over time have addressed myriad aspects of the American political power dynamic. Even the central premise of one man, one vote has been renegotiated over time.



In the 1780s, "one man" really meant "one white, property-owning man." After the Civil War, "one man" meant "one man of any color." In 1920, women's suffrage became universal and "one man, one vote" became "one person, one vote," a principle that was a cornerstone of the Civil Rights movement of the 1960s.

This process of renegotiation invariably comes on the heels of incredible tension and social upheaval. And in almost every case, that renegotiation, that rebalancing, has led to more power for a greater number of people. Over time it has also created the richest country in the world.

Today, we face a similar moment of renegotiation. The gap in this country between the rich and the poor, the powerful and the powerless is growing faster than we have ever seen, and faster than we can sustain much longer. We have been playing a game of economic Jenga®, where players—thinking only of winning themselves—pull from the bottom and add to the top, making our country less and less stable. If we don't fix it, eventually the tower will fall.

At the same time, we have seen the staggering escalation of outside money in politics as a result of the Supreme Court's narrow decision in *Citizens United v. FEC*, the elimination of aggregate campaign contribution limits, rampant

gerrymandering, and the evisceration of the right to vote. Americans have had the key to their power—their votes—stolen by the very system that was instituted to secure their rights.

The country is out of balance and unstable. We must renegotiate now before it's too late.

Together we could choose to embrace this period of transition. We could see it for what it is: an incredible opportunity to renegotiate power and money in America and move ourselves closer to that ideal, a more perfect union. We could look back years from now and see that all this tension and all these tussles were just the beginning of the greatest period of time in American history. We could come out of this better and stronger than ever before. We could build a future that will be remembered as the greatest period of economic prosperity, justice, and human dignity in human history.

It will require all of us working together to achieve this ambitious goal.

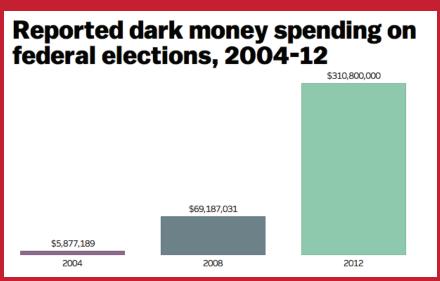
PATRIOTIC MILLIONAIRES

Jenge

JUST THE FACTS:

- Since the 2010 Citizens United ruling, so-called super PACs have spent more than \$1 billion in all federal elections, with 60% of that coming from just 195 ultra-wealthy individuals.
- Outside group spending in U.S. Senate elections has more than doubled since the 2010 Citizens United ruling, reaching \$486 million in 2014.
- Dark money has more than doubled since 2010.
 Almost half of the \$1 billion spent on federal elections since 2010 was undisclosed dark money.

Source: Brennan Center for Justice at New York University School of Law



Source: Center for Responsive Politics

THE TERM SHEET

America is in a moment of transition similar to other transformative moments in our history beginning as far back as our founding. Regardless of how contentious these "renegotiations" may have been at the time, most have resulted in a more prosperous, inclusive nation.

The Patriotic Millionaires believe there is great hope for a similar outcome during this period of conflict and upheaval, provided citizens use their power to advocate effectively for some core principles or "terms."

In business deals, a term sheet is a bullet-point document that outlines the material terms and conditions of a business agreement.

As American citizens engage in this period of renegotiation, we suggest they embrace the following terms:



All citizens enjoy access to political power equal to the power enjoyed by millionaires, lobbyists, and corporate CEOs.

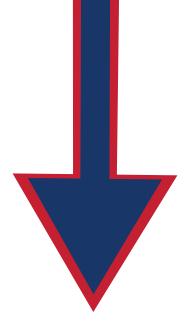


All citizens who work full time are guaranteed a wage sufficient to cover their basic needs.



Tax receipts from millionaire/billionaire citizens and major corporations comprise a greater proportion of federal tax revenues.

These terms enjoy broad support from Americans across the political spectrum, across geographical boundaries, and regardless of economic circumstance. They could form the basis for a powerful and prosperous new era in American history.



POWER

Having undertaken the significant effort to separate from Britain, the Founders made clear that the United States should be led not by a monarch, but by the people. They installed that principle in the notion of one person, one vote.

Over time, even this basic principle has been renegotiated, and those negotiations have been codified in our Constitution. In fact, if you look at the 27 constitutional amendments, nothing has been addressed more frequently than the guarantee of Americans' right to have a say in the direction of their country, expanding the franchise in each instance. The Fifteenth Amendment guaranteed black males their vote in 1870. The Seventeenth put the election of Senators directly in the hands of the people in 1913. The Nineteenth Amendment guaranteed women's suffrage in 1920. And most recently, the Twenty-Sixth Amendment lowered the voting age to 18.

In every instance, the goal of these changes has been to put as much power as possible into the hands of as many Americans as possible. This is how we maintain equilibrium.

Any attempt to disenfranchise any citizen of the United States—whether by erecting barriers to voting, manipulating legislative districts, or granting outsized influence to those with the greatest ability to bankroll campaigns—should be seen for what it is: an attack on the basic premise of America and an overt attempt to disrupt that hard-fought equilibrium.



OF, BY, AND FOR THE OLIGARCHS

In mid-2015, former president Jimmy Carter offered a stark assessment of the country's political system. He called the country "an oligarchy with unlimited political bribery" and one in which we have seen "a complete subversion of our political system as a payoff to major contributors, who want and expect and sometimes get favors for themselves after the election's over."

As we look at the power structures in our country today, it is clear that the equilibrium has been upset. Too few elites hold too much of the power, and they are using it to amass even more.

The most obvious example of this is *Citizens United*, which President Carter said "violates the essence of what made America a great country."



"Now it is just an oligarchy with unlimited political bribery..."

-Jimmy Carter, 7/28/15

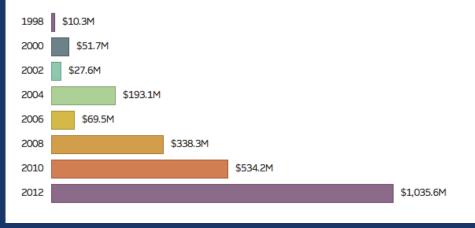
In a 5-4 decision on January 21, 2010, the Supreme Court ruled in *Citizens United vs. FEC* that corporate political spending should be considered constitutionally protected free speech. The ruling was a significant departure from court precedent, and effectively gave corporations and the extremely rich a megaphone while muting the rest of the voters.

FACT:

0.26% of the population gives 68% of political contributions.

Source: Vox.com

Outside groups' spending on federal elections, 1998-2012



"If there was one decision I would overrule, it would be Citizens United. I think the notion that we have all the democracy that money can buy strays so far from what our democracy is supposed to be."

-Justice Ruth Bader Ginsburg, 9/28/14

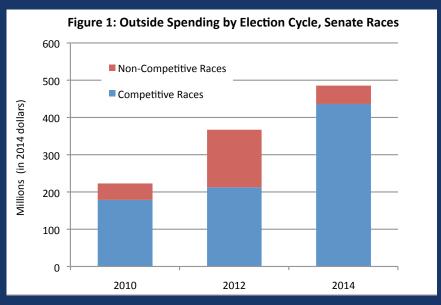
Not everyone agrees that the muting of America is a problem. In February 2014, venture capitalist Tom Perkins was asked for "one idea that would change the world." He responded:

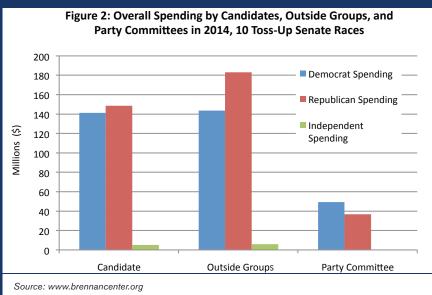
"You don't get to vote unless you pay a dollar in taxes...But what I really think is, it should be like a corporation. You pay a million dollars in taxes, you get a million votes. How's that?"

Perkins was right. This idea would change the world. It would make our country much, much worse.

Unfortunately, the reality is that in a post-Citizens United world, Perkins' dream is coming true. The largest corporations and the people who own them have a wildly outsized amount of influence on our elections. They can only cast a single ballot, but with their money they have already chosen the candidates, decided what information voters hear, and—in some cases—even rigged the system to choose who votes.

In the federal election cycles since the Court's decision, campaign spending has changed dramatically. In that first cycle, the percentage of campaign spending by organizations that don't disclose their donors rose from 1% of all spending to 47%. By 2014, the amount of outside spending on United State Senate races reached \$486 million; in the 11 closest Senate races of the 2014 cycle, outside groups spent more than \$131 million; 71% of that spending supported the winners of those races.





Citizens United obliterated the principle of one person, one vote. When an individual's contribution is capped at \$5,400 per election (\$2,700 in the primary, \$2,700 in the general)—more than most Americans can afford in the first place—but two individuals, David and Charles Koch, can pledge almost a billion dollars to outside groups, there is an obvious imbalance. A decision about "free" speech turns out to have made speech very expensive.



KOCH BROTHERS NETWORK ANNOUNCES \$889 MILLION BUDGET FOR NEXT TWO YEARS

Source: USA Today

The winner of the 2016 presidential election will likely have the opportunity to appoint two to three Supreme Court justices, shaping the direction of the Court for at least a decade. The outcome of the election could either provide an opportunity to overturn *Citizens United* or lock it in place for a generation or more. Americans have to ask themselves, do you really want the ideas of someone like Tom Perkins running your country, given the disdain he has already expressed for the central idea on which the nation was founded?

Several legislative proposals have been put forward to mitigate the Supreme Court's decision, including a constitutional amendment. Whether an amendment is necessary or not, it's clear that *Citizens United* must go. To be worthy of our support, any presidential contender must commit to appointing Supreme Court justices who will overturn *Citizens United*.

We know politicians hate "litmus tests." As a general rule so do we. But this is a special case because it addresses such flagrant infidelity to constitutional principles.

If a potential president doesn't understand that the *Citizens United* decision poses a direct and dire threat to our democracy, that candidate clearly does not understand our Constitution and is not worthy of your vote.

Luckily, we don't have to wait for Citizens United to be overturned to make real progress toward increasing the power of regular Americans and decreasing the power of the self-interested elite.

First, **Congress should pass the DISCLOSE Act**, a series of reforms intended to shed some light on the dark money that has become pervasive in politics. The bill, introduced in the House and Senate by Rep. Chris van Hollen and Sen. Sheldon Whitehouse respectively, requires that any organization spending money to influence an election promptly disclose any donor contributing more than \$10,000 in a campaign cycle. The bill also requires corporations to report political spending to shareholders, and organizations to disclose contributions to their membership.

Next, we endorse the **Fair Elections Now / Government By The People Act**, introduced by Rep. John Sarbanes and Sen. Richard Durbin. These two bills comprise a package of public campaign funding bills intended to empower American citizens. This package is designed to encourage small-dollar donations to candidates for federal office. The bill will provide matching funds to candidates who forego PAC contributions and agree to strict spending limits.

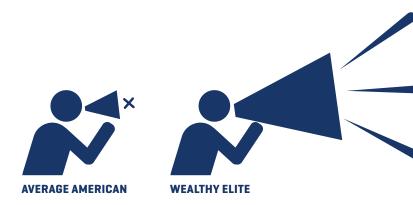
These two bills not only give Americans a more powerful voice in the political process, but they also amplify that voice by rewarding candidates who choose to hear the voices of their constituents rather than big money corporate donors.

Finally, and most readily enacted, **President Obama should sign an** executive order that requires any company requiring a federal contract to disclose political spending.

A hallmark of a healthy democracy is that the citizenry can trust the government to conduct business in good faith. If corporations are spending money to influence campaigns, we all must be assured that those contributions are not also being used to influence the awarding of government contracts.

Until government contractors are required to disclose their political spending, the shadow of bribery will be attached to every single award, and the people have a responsibility to be skeptical.





"So many elected officials say one thing and do another, and the difference is based primarily on who they are talking to, who they are getting their campaign funding from."

- David des Jardins, Patriotic Millionaire

"I used to be in the money management business and the only reason why people who manage money have a lower tax rate than people who actually work for a living is that they are more active at making political donations."

- Morris Pearl, Chairperson, Patriotic Millionaires

VOTERS, VOTERS, VOTERS

Our vote is the truest expression of power, yet year after year, millions of Americans throw away their power, their voice, and their vote.

More than a quarter of eligible citizens aren't even registered to vote. Amongst those who do register, just over one in three (36.6%) voted in the 2014 midterm elections to select their representatives to Congress. Even in the last presidential election, fewer than six in 10 (58.6%) cast a ballot. That matters. It matters because if those Americans don't exercise their voice, somebody will step in to speak in their stead.

We often talk about the right to vote, but with that right comes a responsibility to exercise it.

The truth is that every voter who shows up at the polls on election day takes a little bit of power back from the donors. Every ballot cast diminishes the effect of each dollar spent to influence the outcome of an election.

That's why we need to grow the vote.

Imagine what would happen if our elected officials were required to be responsive to their constituents rather than to their donors!

Campaigns would be different; more importantly, governing would be different. Our elected representatives would be accountable; they would have to represent the constituents in their districts instead of the donors to their SuperPACs.

Sure. They could still go to Washington and whine and complain and refuse to get along. They could continue to put large donors' interests ahead of the people who elected them. But when election time rolled around again, we would hold them accountable for their neglect.

In recent years, there has been a concerted effort to make voting harder; this effort has been orchestrated to take away voters' power. It is our responsibility to take it back.

Evidence of the movement to consolidate political power at the top of the economic ladder can be found in state legislatures, as, for the first time since Jim Crow, there has been a serious uptick in proposals to suppress the vote and disenfranchise millions of Americans.



Voter ID laws introduce an additional barrier to participation in a government that is supposed to be of, by, and for the people, and they have increasingly been accompanied by the closure of DMV offices in poor and predominantly African American counties.

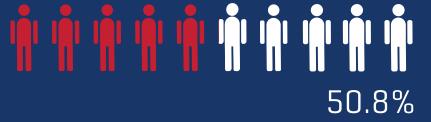
PERCENTAGE OF 2012 BLACK VOTERS AGE 18 TO 29 ASKED TO SHOW ID TO VOTE:



PERCENTAGE OF 2012 LATINO VOTERS AGE 18 TO 29 ASKED TO SHOW ID TO VOTE:

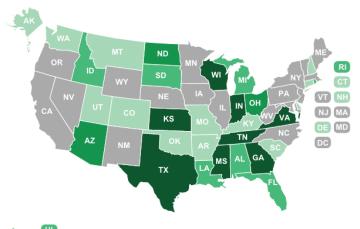


PERCENTAGE OF 2012 WHITE VOTERS AGE 18 TO 29 ASKED TO SHOW ID TO VOTE:



Voter Identification Laws in Effect in 2015

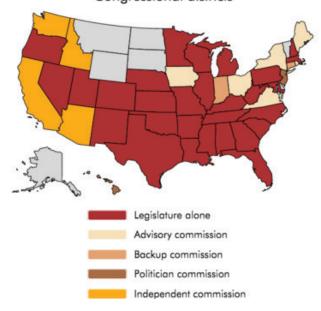




Redistricting by state

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Congressional districts



PATRIOTIC T MILLIONAIRES

RENEGOTIATING POWER AND MONEY IN AMERICA

While more than 30 states now allow online voter registration, other states are fighting to roll back the Motor Voter laws passed in the 1990s to make voter registration easier.

We believe voting should be as easy and as accessible as possible for everyone equally.

One proposal to grow the vote would be to remove the first hurdle to participation by implementing **Automatic Voter Registration.** We have the ability to send all 18-year-olds a voter registration card on their birthday, and to add them to the voter rolls instantly. The registration could be easily updated by the Postal Service any time a change of address is submitted.

There are some bright spots:

In October 2015, California passed a "New Motor Voter Act" that automatically registers voters when they receive new driver's licenses or state ID cards. Oregon passed a similar law in March 2015.

Source: NPR

ENFORCEMENT

Americans are more likely to exercise their vote if they feel confident that their vote will count. With the influx of money from wealthy influencers and special interests, it's almost hard to blame the millions of Americans who don't register or don't vote. They see a corrupt system, and either refuse to participate, or feel that their single vote will do nothing to change it.

This is exactly why Congress created the Federal Elections Commission to act as a watchdog to make sure campaigns follow the finance laws. The FEC is supposed to provide sunlight and transparency into campaign funding, and to penalize campaigns that skirt the rules. They guard the sanctity of our elections.

But the FEC is hamstrung by design. As currently constituted, the FEC commissioners are divided evenly by party—three Democrats and three Republicans form the commission. In today's hyper-partisan environment, every decision becomes a split decision. And a split decision is no decision. Campaigns are invited to cheat because there is no consequence to doing so.

This is easy to fix.

The Restoring Integrity to America's Elections Act, a bipartisan proposal introduced by Reps. Jim Renacci (R) and Derek Kilmer (D), would overhaul the Federal Election Commission by reducing the number of commissioners from six to five and would eliminate stalemates, among other changes. We endorse this bill as part of our plan to renegotiate power.

The New Hork Times

F.E.C. CAN'T CURB 2016 ELECTION ABUSE, COMMISSION CHIEF SAYS

Source: New York Times



ADDITIONAL REFORMS

If gerrymandering is not the cause of today's partisan gridlock in Washington and in state capitals, it certainly is an exacerbating factor. The term dates back to Massachusetts Governor Elbridge Gerry, who was known for drawing convoluted legislative districts, one of which was so absurd as to look like a salamander on the map.





Because of gerrymandering, the overwhelming majority of legislative districts are protected territory for the party that already holds the seat. Incumbents are only vulnerable to intra-party challenges. Candidates from the fringe of both parties hold particular sway in primary races—and often win by promising to never compromise or negotiate with a member of the opposing party. In a sense, they are promising not to govern. From the moment they are sworn in, they are intractable, shouting from their respective corners rather than coming together to negotiate a future for our country. More importantly, voters from a party other than the incumbent's find themselves out in the cold, with no "representative" at all. Members of Congress seem to have forgotten that once they win their seat, they are duty bound to represent all of their constituents, not just the ones who voted for them.

The next reapportionment will follow the 2020 decennial census. With it comes our next opportunity to put an end to partisan gerrymandering. Because the redistricting process takes place at the state level, we are not recommending a nation-wide solution at this time. However, there are a number of creative proposals that have been floated to take the process out of the hands of the same legislators who benefit from favorably drawn lines. These include citizens' redistricting panels, judicial control of the process, and the application of best practices from states like lowa, which has completely removed political advantage from their redistricting process. Look for more ideas on this in future volumes!

The Boston Globe

IOWA KEEPING PARTISANSHIP OFF THE MAP

Source: The Boston Globe

Instead of drawing lines that favor a single political party, the Iowa mapmakers abide by nonpartisan metrics that all sides agree are fair — a seemingly revolutionary concept in the high-stakes decennial rite of redistricting.

Most other states blatantly allow politics to be infused into the process, leaving the impression — and sometimes the reality — that the election system is being rigged. And it has long, maybe always, been this way. The infamous gerrymander, after all, was coined in 1812 after Massachusetts Governor Elbridge Gerry signed a law that allowed a salamander-shaped district that benefited his party.

CONCLUSION

The steps above are only a few of the basics. They form the basis of a comprehensive plan to put power back into the hands of the voters and force elected officials to be responsive to their constituents, rather than to their wealthy patrons. This is only a start.

Across America, cities and states are experimenting with different programs to grow and protect the vote. Voters in Seattle recently approved a measure to provide every taxpayer with four \$25 vouchers that could be allocated in any combination to voters' preferred candidates. San Francisco has had Instant Runoff Voting for more than a decade. Maine voters just approved a ballot initiative that increases transparency and stiffens penalties for people who break the rules. These and other similar proposals are designed to put more power in the hands of the voters.

We will continue to seek out and support proposals that advance this important goal. Future volumes of "Power and Money" will explore those ideas that can promote the kind of equilibrium of power we seek.



The Atlantic

SEATTLE'S EXPERIMENT WITH CAMPAIGN FUNDING

City residents approved a public-financing program in which voters will get \$100 worth of election vouchers—the first of its kind in the nation.

In Seattle, however, voters just approved a system that flips that approach on its head. Starting in 2017, city residents will be able to contribute to local candidates without spending a dime of their own money. Instead, the government will send each registered voter four \$25 vouchers that they can give to candidates of their choice. No cutting a check. No minimum contribution. Candidates can opt out, but those who participate will have to abide by strict limits on spending and on receiving private donations.

"The promise of vouchers is turning every single voter in the city into a donor," said Alan Durning, the executive director of the Sightline Institute, a Seattle-based think tank and advocacy group that pushed for the new program.

Source: The Atlantic

MONEY

The United States is the world's wealthiest country. Our GDP is head and shoulders above the rest.

We are a capitalist country, which has brought us great success both individually and as a society. But capitalism is not without its challenges. We believe in the power of markets while recognizing that markets sometimes fail to achieve outcomes that serve all of us well.

GOP presidential candidate and Ohio governor John Kasich often paraphrases Catholic theologian and American Enterprise Institute scholar Michael Novak in pointing out that a free-enterprise system must have underlying values. During a Fox Business Network debate on November 10, 2015, he said, "A free-enterprise system that is not underlaid with values—and we should all think about the way we conduct our lives—yes, free enterprise is great, profits are great. But there have to be some values that underlay it."

We agree with Governor Kasich on that important point.

When the markets don't achieve our philosophical goals, when they produce results counter to our cultural values, we have to act outside the market. Our government has to step in and create guidelines that ensure our economic system exists within our moral, democratic framework and that are consistent with our country's values.

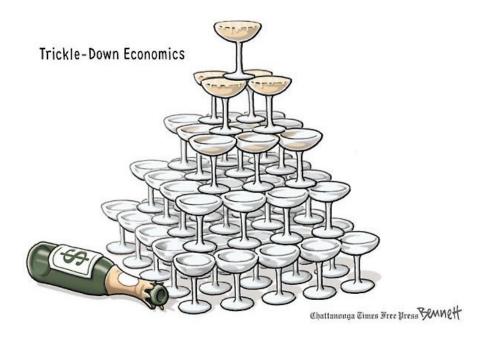
For the past several decades, a cadre of voices—backed by serious money—has argued that giving more to those at the top will accelerate economic growth. Give investors—so-called "job creators"—more profit and lower taxes, the argument goes, and the wealth will trickle down to the masses.

The result? Wealth became more concentrated. The trickle never happened.

Supply-siders argued they were "growing the pie." But rather than feeding more people, the result has been more pie for those who are already at the table while the rest of America scrambles for the crumbs.

Wealth doesn't trickle down; it flows up. You can neither cut your way to prosperity nor grow your way out of inequality, yet these are the suggestions we hear every year. Prosperity begins with strong demand that thrives when wages cover workers' basic needs and provide them a sense of economic security.





Growth will come, if we commit to growing together. We reject the notion that only a very small group of highly talented elites is responsible for creating the wealth in America. We also reject the premise that any tax or regulation on these "elites" will derail innovation and cause the economy to stagnate.

Inventors and entrepreneurs and builders can't turn their inventions, businesses, and skyscrapers into reality without people to assemble the products, fill the orders, or actually pour the foundations.

In order to truly grow, we need to have all Americans participating in innovation, in building, and in growth. And Americans exhausted after a 12-hour shift at a little over seven bucks an hour have a very hard time participating.

A successful renegotiation of money—that will create greater prosperity for more people—will center on two distinct questions. The first involves wages and the basic socioeconomic compact between business and people. What should a hard day's work guarantee? The second addresses the way we fund our national priorities. How do we divide up the tab?

One the first question, the Patriotic Millionaires fundamentally believe that to grow the pot, we need to deal more people into the game. We have to make

every working American secure enough in their circumstances that they can imagine a better future. A recent Walmart commercial put it this way: "It's hard to build a future if you can't see past today." We agree. Ironically, many retailers' employees—including Walmart's—find themselves precisely in this position, struggling to see past today, due to low wages and a lack of benefits. The profits are there, but the values are missing. The markets have failed, and to correct that failure, the government must step in.

And on the second one, the question about who pays for the things the country as a whole needs, well, we've made ourselves pretty clear on that point too. In the words of our chairman, "Those who have more should pay more. Those who have less should pay less."

"Trickle down is this false premise that if we rewarded the wealthy, they would somehow transfer that wealth down the system. But in fact, they simply keep it."

- Patriotic Millionaire Leo Hindery, Jr.

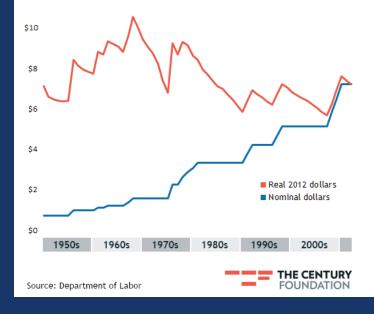
"There's class warfare, all right. But it's my class, the rich class, that's making war, and we're winning. But I think that people at the high end — people like myself — should be paying a lot more



in taxes. We have it better than we've ever had it. The rich are always going to say that, you know, just give us more money and we'll go out and spend more and then it will all trickle down to the rest of you. But that has not worked the last 10 years, and I hope the American public is catching on."

-Warren Buffet

Although Congress raises the federal minimum wage every few years, its inflation-adjusted value today is far below that of the late 1960s.





PART ONE:

PAYING WHAT WORKERS EARN

As we renegotiate money in America, we must begin with the principle that a full-time 40-hour workweek should guarantee a basic level of economic stability for an individual and their family.

The federal minimum wage was last raised in 2009 to \$7.25 an hour. For an employee working a standard 40-hour week, 52 weeks per year with no days off, that comes to just \$15,080 before taxes, before housing, before food, and before health care—which most minimum wage jobs do not provide. At the end of the month, there is less than nothing left.

Patriotic Millionaire Jerry Fiddler puts it this way: "People who give you their service—their time, their energy, and their sweat—deserve to be paid enough to support themselves and their families. How can we even debate this?"

The fact is, for most Americans, there is no debate. The bipartisan majority of us believe the federal minimum wage should be higher. A January 2015 *Hart Research* poll found 75% of the public favors an increase in the minimum wage to \$12.50 an hour by 2020, including 92% of Democrats, 73% of independents, and 53% of Republicans. Sixty-three percent of Americans support an increase to \$15 an hour.

So who opposes the increase? Several GOP presidential candidates, unfortunately. In a Fox Business debate, Donald Trump, Ben Carson, and Marco Rubio all said they would not support a higher wage. Of these, Senator Rubio's objection is the most surprising. His personal story of immigrant parents who came to this country in search of a better life—and were able to provide that better life for their son—relies heavily on his hard-working father's time as a barback. In 1956, when Rubio's parents came to this country, the minimum wage was \$1 an hour, the equivalent of \$8.76 today and roughly 20% higher than today's federal minimum wage.

Many of the most powerful lobbying organizations and industry groups are opposed to an increase as well. The National Restaurant Association and the National Retail Federation continue to insist we "can't afford" to raise wages. The Patriotic Millionaires believe we can't afford *not* to raise wages. Our prosperity depends on it.

"Raising the minimum wage is one those political no-brainers."

- Patriotic Millionaire Lawrence Benenson

"We never forget that our employees are part of our economy as consumers. When they earn more, they support local businesses, rely less on public assistance and have a better shot of moving into the middle class. More money in their pockets means more money in our economy and, eventually, in our banks."

- Patriotic Millionaire Keith Mestrich

Consumer spending comprises about 70% of the U.S. economy, and a stable economy depends on maintaining a stable level of demand. In addition to being the right moral choice, significantly raising the minimum wage is also the right economic choice. Higher wages for tens of millions of Americans can ensure a stable level of "aggregate demand" that could spur economic growth from the bottom up.

America's lowest-paid workers have the same needs as everybody else: food, clothing, and shelter. But because they are living paycheck-to-paycheck, critical purchases are often delayed. When they earn extra money, these workers tend to spend it on the essential goods and services they previously couldn't afford. That spending, multiplied by the millions of low-wage workers in the country, increases the total demand for goods and services. When aggregate demand increases, businesses hire more people to meet that demand, which in turn puts more money in the pockets of even more people who will spend it. The result is a virtuous circle that over time leads to more prosperity for everyone.

The Patriotic Millionaires fundamentally disagree with the much-touted and totally debunked idea that giving a small number of wealthy people more money will eventually lead to wealth "trickling down" to everyone else. The key to a stable economy is making sure that millions of people have a little bit of extra money; not making sure that a tiny number of people have a whole lot of extra money. As Ben Cohen, co-founder of Ben and Jerry's Ice Cream, put it, "There is only so much Chunky Monkey one rich guy can eat."

Our economy does better when everyone can afford a scoop.

A small group of people believe we shouldn't have a minimum wage at all. They believe we should rely exclusively on market forces to determine what wages should be. But the market isn't providing full-time working Americans a decent wage. And when markets fail, the government must step in to make a correction.

We considered President Obama's executive order requiring federal contractors to pay employees at least of \$10.10 per hour a significant victory. And we have been excited to see voters approve wage hikes to strengthen their communities in cities all across America, but too many people are still left behind.

Low wages are a drag on the whole economy. And because a person making \$7.25 an hour can't afford, even working full time (or more than full time), to support themselves, taxpayers have to step into help through various government programs. Fast-food behemoth McDonald's even set up a special program through their corporate headquarters to help employees file for public assistance. Clearly, employers who keep wages low (a) know their employees can't afford to live on what they're paid, and (b) expect the rest of the American taxpayers to subsidize their corporate profits by taking care of low wage employees.

A U.S. Senator told the Patriotic Millionaires that every time a proposal surfaces to cut food stamps, Walmart lobbyists swoop in to stop that bill in its tracks. Food stamps don't just subsidize the company's employees; they further pad the bottom line. Walmart makes money coming and going.

Wouldn't it just be better to pay citizens a fair wage? The economy would thrive because workers would have more money to spend. The workers would thrive because after a 40-hour workweek, they could pay their bills and have a little time left to spend with their families, or to build the skills that will get them their next, better job. Businesses would be better off too. Employee retention would go up and turnover would go down, reducing the costs of hiring and training new employees. And the country would be better off. The government would have a little extra savings and a little more tax revenue that could be used to pay down the debt or to invest in our infrastructure.

Raising the minimum wage could be a game-changer, both for struggling families and for the country.

A word on semantics: We prefer to think of the minimum wage as a base wage. This simple shift in language changes the conversation from "what is the least we can legally get away with paying?" to "what does an American need to earn in order to be secure?" And it might take us a step toward a little more dignity and respect for these working Americans.

It is not a distinction without a difference. Reimagining the minimum wage fundamentally changes the way we think about work—and workers—in America.

It also changes the way working people feel about their place in society. Paying somebody the "minimum" suggests an employer places little value on that employee's work. There is nothing to be proud of and, more importantly, no sense that you are part of something larger than yourself.

By contrast, a base wage is something stable from which you can build. It is solid ground beneath your feet. You have security. You are part of something. Your work has value because it creates value. Employers don't "give" you a paycheck; you "earn" a paycheck.

People who are struggling to pay rent and put food on the table don't have time to do anything but work. In contrast, employees who feel economically secure will have more time to invest in learning new skills, and hopefully will use those skills to rise to positions of greater responsibility. Employees who can afford their basic necessities with a 40-hour job have the time and energy to raise their kids, help with homework, or play a role in their communities. Paying people too little robs them not only of their dignity but also of the time they need to participate in all the other important aspects of a meaningful life.

It is important to note here that we are talking about a paycheck. This money is *earned*, and their work contributes to the company's bottom line. And incidentally, we are not suggesting that everybody is entitled to the *same* salary. We all have different skills and talents, and as a society, we value those skills and talents differently. This is about making sure that everyone gets to share in our nation's prosperity.

"In every company I have ever invested in, everyone gets a piece of the action. So if the company does well, the company is structured so that everyone gets something. Of course some people will get more than others, but everyone gets a piece of the success."

-Patriotic Millionaire Jerry Fiddler

Whether we call it a minimum wage or a base wage, we need to raise it. A lot.

After careful consideration, and much debate, we have chosen to support an increase to a base wage of \$15 per hour by 2020, indexed to inflation. Specifically, we support Sen. Sanders' **Pay Workers a Living Wage Act (S. 1832)**, co-sponsored by Sen. Markey and introduced by Reps. Ellison and Grijalva in the House.

We came to our conclusion after studying cost of living charts from around the country and determining that—in most areas of the country—you cannot sustain yourself and a child on less than \$30,000 per year. We're not saying that \$30,000 will cut it in New York or Atlanta or Boston or Los Angeles, but in most places, a \$15-per-hour base wage provides a reasonably solid footing.

A word on indexing! Indexing is simply linking the wage to some other value. And to put it in historical context, if the minimum wage had been indexed to inflation in 1968, it would now be approximately \$10.74, 48% higher than it is today. If it had been indexed to keep pace with inflation and productivity, the base wage would be more than \$20/hour today.

The wage has to be indexed so we can guarantee the law we make today has the same fundamental meaning tomorrow. We believe the base wage should be indexed to inflation, guaranteeing wage security into the future. Simply raising the wage provides Americans with a short-term boost, and a chance to catch up, but it also puts us into a position where the "security curve" begins to slope downward almost instantly. As we've seen, a static wage rapidly becomes a falling wage. Without indexing, we end up right back where we are; the chasm of inequality reopens, and those who have just caught up slowly begin to fall behind again.



An indexed base wage provides Washington with an opportunity to *permanently* solve a major issue affecting millions of Americans. Imagine that.

We have heard the arguments against raising the minimum wage, and frankly, we find them factually and historically inaccurate. The oft-threatened price increases and mass unemployment never materialize. Raising the minimum wage increases aggregate demand as employees begin to accumulate savings and experience the benefits of disposable income.

A study by Ron Unz, the former publisher of *The American Conservative*, showed that Walmart could increase wages to \$12/hour for every employee and pay for the increase with a 1% across-the-board price hike. Customers wouldn't notice, but the difference in the lives of those employees would be immeasurable.

Another study, conducted by Purdue University's School of Hospitality and Tourism Management, showed that McDonald's could guarantee every employee at least \$15/hour and cover the entire cost by raising the cost of a Big Mac by 17 cents.

And that's if they chose to pass all of the increased cost of labor onto the consumer. Given the outsized pay packages enjoyed by most corporate CEO, surely they could afford to give up a little to make sure their employees—the people who make their company actually function—have enough.

- 3 in 4 Americans support raising the federal minimum wage to \$12.50 an hour by 2020, including 53% of Republicans.
- 63% of Americans support raising the federal minimum wage to \$15.00 an hour by 2020.

Source: http://www.raisetheminimumwage.com/pages/polling

"As a businessman, I agree with what President Roosevelt said way back in 1933 during the Depression, namely no business which depends for its existence on paying less than living wages to its workers has any right to continue in this country."

- Patriotic Millionaire Stephen Silberstein

People who oppose a higher minimum should ask themselves if 17 cents would really prevent them from buying a burger as tasty as a Big Mac. We understand the "Dollar-sixteen value menu" wouldn't be as catchy a marketing tool, but the change would make a real difference for the workers, their families, and the country.



One Patriotic Millionaire offered this stark assessment of our choice. He said. "If your business model relies on human suffering, perhaps you should go out of business."

But again, the alleged impact on business is unlikely to materialize. Study after study has shown that people at the bottom of the economic spectrum, when given a raise, put that money directly back into the economy. They buy more groceries, repair their cars, go to local restaurants, and even shop in the stores where they are employed. The increase in available capital results in increased demand. And increased demand leads to greater corporate profits, more hiring, and a stronger overall economy.

An indexed base wage would permanently establish the idea that we, as a nation, are committed to ensuring that all our neighbors have a solid floor beneath their feet. Our economy is changing, and jobs are changing with it. This is a perfect time to decide as a country what full-time work should mean for an individual. This is a perfect time to renegotiate the value of work.



MONEY PART TWO: PAYING THE TAB REFORMING THE TAX CODE

"There are things we want to do as a society. They're not free."

-Patriotic Millionaire Dennis Mehiel

America faces a number of challenges.

Among other things, we need to upgrade our crumbling infrastructure, care for an aging population, and give more students the opportunity to pursue a postsecondary education and job training.

It's a fact. Many—but not all— of our challenges can be solved with money. But who should pay?

We see three possibilities:



Nobody puts up the money, and nothing gets done.



Those of us with significant means contribute a significant portion of the money.



We stick the poor and middle class with the bill.

We choose number 3. Oh, sorry, that's those other millionaires.

WE choose number 2. For sure.

The wealthy have the greatest ability to contribute to the collective pot, and frankly, because we have been the biggest beneficiaries of this system called America, we should pay more to keep it running. We have reaped the greatest share of the benefits. We should contribute the largest portion of the investment. And by the way, we should do so gladly, without all the fussing.

While it is undeniable that we need a comprehensive overhaul of the tax code, nothing significant is going to get done in the current political environment. However, there are some obvious small actions we can take. There are actually some things almost everyone agrees on. All that's stopping them from becoming reality is the heavy hand of large donors and lobbyists, who have repeatedly stalled these bills in committee.

"Closing the carried interest loophole would be a giant symbolic step toward a more economically equitable America."

- Fred Rotondaro, Patriotic Millionaire

"The absurd advantage hedge fund managers receive due to this rule is just that—absurd."

- Stephen Prince, Patriotic Millionaire

CLOSE THE CARRIED INTEREST LOOPHOLE

There's no shortage of egregious loopholes in the tax code; each is more outrageous than the next, and they build—one on top of another—until the tax code resembles a block of Swiss cheese and the wealthy and America's largest companies end up paying almost nothing in taxes.



From amongst all the loopholes in all of the land, the poster child for what is wrong is the carried interest loophole, which allows investment managers to pay capital gains rates on fees they generate managing investments, something that in any rational universe would be considered ordinary income and taxed accordingly.

Warren Buffett famously pointed out that those who make money with money should not be afforded greater deference in the tax code than their neighbors who make their money with their hands.

So how is it possible that investment managers who manage *someone else's money*, taking no material risk of their own, can pay around 15% tax on their income while a firefighter, the produce manager at your local grocery store, or the teacher who educates your kids pays close to 40%?

Why does the hedge fund manager, who doesn't even assume the risk of making his own investments, pay a lower tax rate than the person who cleans his office?

The answer is that a loophole in the tax code, dating back to 16th-century shipping conventions, allows fees earned by investment managers to be taxed as capital gains rather than as ordinary income.

"Running a government that works for 300 million
Americans is expensive. Running a corrupt American
government is unsustainable. There is no more striking
example of the cost of corruption than tax loopholes
that benefit the 1 percent of the 1 percent."

- Patriotic Millionaires Chairperson Morris Pearl

Unfortunately, repealing the loophole just keeps getting "stuck in committee." They say, "stuck," we say "blocked by financial industry lobbyists."

Tomato. Tomahto. It's past time to call the whole thing off.

Eliminating the carried interest loophole would raise \$1.8 billion per year, not a lot of money in the scheme of the federal budget but an amount that could make a real difference to real people if it was spent on something other than hedge fund managers.

Candidates across the political spectrum, from Donald Trump to Bernie Sanders, support closing the carried interest loophole. Even Stuart Varney, Fox News tax hawk in residence, supports closing the loophole.

With such broad bipartisan support, the only argument against closing the loophole is legislative capture: a Congress that puts the wants of a few special-interest donors ahead of the needs of the country.

Closing the carried interest loophole makes economic, political, and moral sense.

INCREASE THE NUMBER OF TAX BRACKETS

The United States first instituted a progressive income tax in 1917, and for much of that time, there were literally dozens of tax brackets. In 1932, when the top marginal rate was 63% (on income over \$16,758,686'), we had 55 brackets.

During the Eisenhower administration, the top marginal rate was as high as 92% on income over \$2,579,708. Today, the top marginal rate is 39.6% on income over \$416,383.

By way of explanation, *marginal* tax rates are applied to each dollar in excess of the bracketed amount. For example, under the current system (7 brackets), as single filers everyone will pay the same tax, 10%, on our first \$9,225 of income. If you earn \$9,226, you will pay 10% on \$9,225 and a higher rate only on that last dollar.

A progressive tax means your rate increases as your taxable income increases, but you still only pay a higher rate on that last dollar, as you move up the income ladder.

A progressive tax makes sense because as people have more money, each additional dollar becomes less valuable to them. Think of it this way: If you have no money and someone hands you a hundred dollar bill, that \$100 is extremely valuable to you. It's everything you have. That's \$100 you can spend on things you need to live: food, clothing, and the like.

If you have a million dollars and someone hands you that same hundred-dollar bill, you'd certainly be happy. You might even treat yourself to lunch. But the \$100 won't change your life in any material way. A progressive tax code takes that utility of money into account.

A flat tax certainly sounds good. If we're all equal, with equal power, why shouldn't everyone pay the same percentage of their income in taxes? In truth, though, a flat tax is the *least* fair because it assumes we all value our last dollar the same way.

To demonstrate the unfairness of a flat tax, consider the difference between two Americans: one making \$10,000,0000 a year and one earning \$20,000, and assume a flat tax rate of 10%. After taxes the first American is left with nine million dollars. The second is left with \$18,000. The tax burden on the \$20,000 earner is significant, while—even though the actual check she writes is much, much bigger—the tax burden on the millionaire is much less of a burden relatively.

¹ All dollar figures listed are adjusted for inflation.



Beginning in the 1980s, it became fashionable to talk about simplifying the tax code by reducing the overall number of tax brackets. In the Reagan administration, the number of tax brackets dropped from 16 to two.

Not coincidentally, it was around this time that the gaps in income inequality really started to open up.

Why does marginal tax rate matter?

More brackets means that the mega-rich are taxed differently than the very rich, who are taxed differently from the rich, who are taxed differently than the merely well off. As we have eliminated tax brackets, we have also widened the brackets; we saddled those at the bottom end of the higher brackets with a much greater proportion of the burden. Today, the top marginal tax rate (39.6%) is applied to incomes in excess of \$413,200 for an individual or \$439,000 for a head of household. So a taxpayer who earns \$415,000 pays the same marginal tax rate as a taxpayer who earns \$1 million, \$10 million, or even \$100 million per year. While \$400,000 a year is quite a salary, we can all admit that there is a marked difference between making \$400,000 a year and making \$400 million a year.

Some of the proposals we have seen from 2016 candidates are incredibly concerning. Three candidates are proposing some form of flat tax—essentially zero tax brackets, and a complete abandonment of our progressive system of taxation. Following such a foolish path would leave our government dangerously underfunded and would explode income inequality in the process. The megarich would pay far less in taxes, while the poor and middle class would take a significant hit.

The argument that a simplified tax code is less burdensome is as outdated as it is preposterous. At a time when computers can handle millions of calculations in a second, the technology certainly exists to calculate any number of marginal tax rates.

What complicates the tax code isn't the number of tax brackets; it's the countless loopholes and deductions that give additional advantages to the taxpayer with the most creative accountant. If we want to truly simplify the tax code, we suggest you start there.

REPATRIATE OVERSEAS ASSETS

From 2010 to 2013, Walmart reported \$1.3 billion in profits in Luxembourg, a country where it has no stores. Altogether, the company, through 78 foreign subsidiaries, holds \$76 billion in assets outside the United States. They pay no U.S. tax on these assets, and what they're doing is entirely legal.

This is not a Walmart problem; companies like Google and Apple do the same thing. This is a policy problem. All told, American companies have stashed more than \$2.1 trillion in foreign subsidiaries and tax havens.

Bringing those assets home could replenish the transportation trust fund, put a huge dent in our deficit, or reduce education costs for millions of families.

Congress is currently considering several repatriation tax holiday bills. While we are not ready to endorse any particular proposal, we stand firmly in support of fixing the issue and putting American capital to work for America.

Repatriation is just one part of a much larger issue with the corporate tax structure, one that is too complex for this volume. The Patriotic Millionaires will address the hornets' nest of corporate taxes in a future volume.

"It's not class warfare to say that people like me who are in many cases doing the best we've ever done and who can easily afford to pay more in taxes with no impact on our lifestyle – should be the first to step up and make a small sacrifice."

- Patriotic Millionaire Whitney Tilson

CONCLUSION

Renegotiating money in America has to happen at the top and the bottom of the economic scale. It's the only way we can close the gap between rich and poor and stabilize our country for the long term. Raising the economic floor and ensuring a sustainable, indexed base wage for any American willing to work full time will send ripples into the economy and allow wealth to flow up. Closing egregious tax loopholes and recommitting to a truly progressive income tax will give us the ability to reinvest in our national priorities.

It's a rare negotiation where everybody leaves the table a winner. This could be one of those times, if we work together and focus on what is good for all of us.

CONCLUSION

We believe doing the right thing is always the right choice. Sometimes it's a hard choice. Often there are consequences, especially in the short term. But the things that are worth it are rarely easy.

Separating from Britain wasn't the easy choice, but it was the right one.

Going to war to preserve our Union wasn't the easy choice, but it was the right one.

Calling for a renegotiation of power and money in American isn't the easy choice, either. But we know it is the right one.

The gaps between the rich and poor, the powerful and the powerless have stretched our country to the point of breaking, but the fabric is not yet ripped. Through a process of thoughtful renegotiation, we can establish an equilibrium that will keep our nation strong for the next 239 years.

Some say our country is crippled or that we've lost our "greatness." They are threatened by any attempt to upend the status quo, and they are determined to preserve it through divisiveness and fear. We reject their premise whole cloth. We are on the brink of a period of renewal and investment and prosperity and community. We just have to get through this transition and out the other side.

We invite all Americans of every political stripe and economic status to join us at the negotiating table. It is only with the engagement of a diverse array of citizens that we can release members of Congress from their legislative capture and put them back to work as lawmakers, responsive to their constituents rather than their patrons.

We hope to share over the coming months what we know about wages and taxes and democracy. We will share different viewpoints on our website as we sort through new proposals that can take us forward. We will let you know when we think money is corrupting our policy-making process. We will alert you to attempts to take away the power of voters. And we will do everything we can do to move our country in the right direction. We will be talking about our vision for the future, and about the principles we hope will serve as our guiding lights. We hope you will join us.

It's hard to get everyone to agree. Even deciding which issues to tackle and which proposals to endorse in this volume took a fair bit of negotiation and renegotiation. But our members knew that through a difficult process, we would make the final product better. The hard process is important, and it's something

we hope to continue with you over the coming months as the country decides who should lead us and how we should be represented.

We firmly believe that most Americans want a decent society: a society based on dignity and respect. A society where people have time to spend with their families, to improve their skills, to raise their children. And yes, to play a little too.

We think politicians mostly want to do the right thing, but sometimes they need a push in the right direction to help them actually do it.

Let's be that push. Together.

For more information about the Patriotic Millionaires, please visit www.patrioticmillionaires.org

THE PATRIOTIC MILLIONAIRES ADVISORY BOARD

NAOMI ABERLY



Naomi Aberly is a political activist and civic volunteer who focuses her efforts on women's health. Aberly serves on the boards of both the Planned Parenthood Federation of America (PPFA) and the Planned Parenthood Action Fund (PPAF). She is a member of the Planned Parenthood Leadership Council, the Women Donors Network, and the

EMILY's List Majority Council. She is also an active supporter of the Center for Reproductive Rights, the Center for American Progress and the Texas Organizing Project.

LAWRENCE B. BENENSON



Lawrence B. Benenson is a Principal of the Benenson Capital Company and a member of the company's Investment Committee, involved in developing and implementing the company's investment strategies and internal operations as well as guiding the company's short and long-term planning. He guides the Company's near-term and long-range planning

and has helped Benenson Capital Partners grow to become one of the nation's premier owners of net-leased properties. He has been involved with the Benenson family business since 1990. Benenson is the Chairman of the Institute for the Study of Global Anti-Semitism and Policy and Head Co-Chairman of the Lincoln Center Real Estate and Construction Council. He serves on the Boards of the Mosholu Montefiore Community Center in the Bronx, the Museum for African Art, the Center for Arts in Education, American Folk Art Museum, the ART/OMI International Arts Center, the New York Junior Tennis League, Al Hirschfeld Foundation and the Ad Reinhardt Foundation. He also serves on the Boards of the Inner-City Scholarship Foundation and the Museum of Modern Art (MoMA). Previously, Benenson worked for Rose Associates, a real estate investment and development company specializing in Manhattan properties. Benenson holds a BA from Duke University. He is a member of the Real Estate Board of New York, Vice President of the Realty Foundation of New York, and a member of the International Council of Shopping Centers.

DAN BERGER



Dan Berger is a Philadelphia lawyer specializing in complex litigation from the plaintiff's perspective including antitrust, securities, consumer protection, employment, environmental and civil and human rights. Mr. Berger's firm has been a pioneer in the field of class action litigation and was one of two firms who filed the original class actions starting in

the 1960s. For his long career in the law, Mr. Berger was recently named as a "Titan" in the field of complex litigation by the publication, Law 360. Mr. Berger is also very politically active and is the largest supporter of progressive political causes and groups in the Philadelphia area. He is currently a sponsor of the Progress Project which is being co-sponsored with the Brookings Institute and which is investigating the nature of social, economic and political progress in the historical sense and how to re-start and enhance historical progress.

CHUCK COLLINS



Chuck Collins is an author and senior scholar at the Institute for Policy Studies in Washington, DC, where he directs the Program on Inequality and the Common Good. Heir to the Oscar Meyer fortune, he donated most of his inheritance at a young age. Collins is an expert on U.S. economic inequality and has pioneered efforts to bring together investors

and business leaders to speak out publicly against corporate practices and economic policies that increase economic inequality. He is co-author, with Bill Gates Sr., of Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes. Chuck is the co-founder of Wealth for Common Good.

ALAN S. DAVIS



Alan S. Davis is president of The Leonard and Sophie Davis Fund, a private family foundation. Alan is the Director of the WhyNot Initiative, the foundation's program to support social change efforts that have the potential to significantly address problems with the democratic process, income and wealth distribution, universal healthcare and tolerance. He was

founder and CEO of Conservatree Paper Company, the leading distributor of recycled paper, and founder and CEO of ASDavis Media Group, a publisher of more than 40 travel guidebooks. He and his wife, Mary Lou Dauray, live in San Francisco and have six children and 8 grandchildren. Alan has a B.S. in business from USC and a J.D. from NYU Law School.

PATRIOTIC TO MILLIONAIRES
RENEGOTIATING POWER AND MONEY IN AMERICA

DAVID DESJARDINS



David desJardins was employee number 20 at Google, where he worked as a software engineer from 1999 to 2005. He is an active angel investor and philanthropist, a member of the board of the Tigerlabs technology incubator, a member of the Corporation of the Massachusetts Institute of Technology, a trustee of the University of California at Berkeley Foundation, a consultant at the Center for Communications Research

at Princeton, a member of the steering committee of the Scholars Strategy Network, and a member of the board of the Democracy Alliance.

PHILIP EDMUNDSON



Mr. Edmundson co-founded WGA in 1983. He became CEO in 1997 and has since grown the firm to be one of the largest independent brokerages in the country.

Mr. Edmundson is a Director of the Council of Insurance Agents and Brokers (CIAB), in Washington, D.C. He is Chair of The Alliance for Business Leadership (formerly

the Progressive Business Leaders Network). He is a past President of the Insurance Library Association of Boston. Mr. Edmundson served as the Chairman of Affordable Care Today, a coalition of business, consumer, provider, and labor organizations that led the campaign for Massachusetts Healthcare Reform in 2006. He serves on the Board of Overseers of the Boston Symphony Orchestra. He is a Trustee of Beth Israel Deaconess Medical Center. Mr. Edmundson is a Trustee of the Trustees of Reservations, a conservation organization.

He is an honors graduate of Amherst College, with a B.S. in Psychology/ Neuroscience, where he was elected to Sigma Xi, the national scientific honor society. Mr. Edmundson received his Masters of Business Administration degree with honors from Babson College. He also received a Masters of Public Policy degree from the Kennedy School at Harvard University.

JERRY FIDDLER



Jerry Fiddler is the principal/CEO of Zygote Ventures. He has helped create and grow a number of companies, as CEO, director, chairman, investor and advisor.

Mr. Fiddler is the founder of Wind River, which became a leading provider of device software worldwide, and was for 23 years its CEO and Chairman. He is currently the Chairman of

Solazyme, a biotech company using algae to make oil for food, energy, industrial, and health applications. Mr. Fiddler also sits on several other corporate boards, including Bolt Threads, Nanomix, and NexSteppe.

Jerry Fiddler serves on the UC President's advisory board on science and innovation. He is a member of the foundation board of Chabot Space & Science Center, and a trustee of the Mathematical Sciences Research Institute, and the California Jazz Conservatory. He has been Foundation Capital executive-inresidence, and adjunct professor at UC Berkeley, teaching entrepreneurship and organizational behavior. He has worked actively both with students and in an advisory capacity at a number of universities, including University of California/Berkeley, Stanford, Wharton, and University of Illinois.

DR. GAIL FURMAN



Dr. Gail Furman is a leading child and adolescent psychologist in Manhattan. She has been in private practice treating children, adolescents and their families for over 45 years and was the psychologist at both the Fieldston School and the Dalton School from 1973-1990. Furman serves on the executive boards of Human Rights First, Leadership

Enterprise for a Diverse America (LEDA), The Brennan Center for Social Justice at NYU Law School, and Auburn Seminary. She is also a member of the Council on Foreign Relations, and is an assistant clinical professor at New York University, where she is a consultant to the Child Study Center. Furman is also one of the founders of the Family Academy, a model experimental school in Harlem providing academic, social and mental health services for students and their families. She has been instrumental in developing collaborations and innovative partnerships to provide more competent, comprehensive service to inner-city children and families.

KEESHA GASKINS



Keesha Gaskins is the director for the Democratic Practice—United States program at the Rockefeller Brothers Fund.
Gaskins is a long-time organizer, lobbyist and trial attorney.
Prior to joining the Rockefeller Brothers Fund, she was Senior
Counsel with the Brennan Center for Justice, serving as the director of the Redistricting and Representation program.
Gaskins is a frequent lecturer and writer on issues related to women and politics, movement building, and democratic reform.

JEFFREY GURAL



Jeffrey Gural is Chairman of Newmark Grubb Knight Frank, an international commercial real estate firm covering 320 offices worldwide. Prior to joining Newmark Grubb Knight Frank, Gural was a member of the staff of Morse-Diesel Construction Co. Gural is recognized as an invaluable member of the Greater New York community, and serves as a member of the Board of

Directors for the Real Estate Board of New York, member of the Board of USO, member of the Board of Directors of the UJA-Federation, and many more.

KEITH MESTRICH



Keith Mestrich joined Amalgamated Bank as the President and CEO in 2012 after serving four years as the CFO of SEIU. A 25 -year veteran of the labor movement with Workers United, UNITE HERE, UNITE and the AFL-CIO, he started at Amalgamated as Director of the bank's Washington D.C. office. In addition to working at the bank, Keith serves on the

Board of Directors of the Democracy Alliance, the Roosevelt Institute, the D.C. Employment Justice Center, the Union Health Center, Hot Bread Kitchen and the labor incubator known as The Workers Lab. He is also an Advisory Board member of the Remember the Triangle Fire Coalition.

SCOTT NASH



Scott Nash is the founder of MOM's Organic Market, an organic grocery that promotes environmental justice. Started in 1987 out of his mom's garage with an initial investment of \$100, MOM's has grown to become one of the nation's premiere chains of family owned and operated organic grocery stores. With approximately 800 employees and

\$130 million in annual revenue, MOM's operates 12 stores in the Washington/Baltimore/Philadelphia region and plans to expand into the NorthEast corridor over the next several years with revenues anticipated to grow to \$250 million.

MORRIS PEARL



Morris Pearl is Chairman of the Board of The Patriotic Millionaires. Previously, Pearl was a managing director at BlackRock, one of the largest investment firms in the world. He worked on the Maiden Lane transactions and assessing the government's potential losses from the bail outs of CitiBank and AIG. He also advised Her Majesty's treasury on

the bailout of Lloyds and RBS, as well as similar projects for the Central Bank of Ireland and the Bank of Greece. Prior to BlackRock, Pearl enjoyed a long tenure on Wall Street where he invented some of the securitization technology connecting America's capital markets to consumers in need of credit. He is a CFA Charter Holder, a member of the CFA Institute and the New York Society of Securities Analysts.

STEPHEN PRINCE



Stephen Prince is a businessman who founded National Business Products, now known as Card Marketing Services, in 1993. Prince focused the company's attention on finding innovative print solutions for the credit, debit and prepaid card industry. As the gift card phenomenon began to evolve in the late '90's, he switched the company focus from one

that provided heavy paper print offerings to one whose primary product line was plastic cards and support materials for them. Today, as gift and loyalty card programs have proliferated and grown, Stephen is invited to deliver his "gift card gospel" to sales staffs, merchant clients as well as potential platform partners all over the U.S.

GREAT NECK RICHMAN



James S. "Great Neck" Richman is President and CEO of Richloom Fabrics Group, a textile convertor, designer, and distributor of home furnishing fabrics located in New York, with subsidiaries offices in Shanghai and Gurgaon. Richman runs the Richloom Family Foundation, which has set up the Endowed Scholarship at George Washington University and Case Western Reserve University, the Richman Visiting

Professorship at Brandeis University, and given major donations to Jewish Philanthropic America and other organizations. Richman serves on the Board of Overseers at the New York University Stern School for Business, the Advisory Committee at Case Western Reserve University, and the Board of Trustees of the Atlanta High Museum of Art. He is also associated with several New York City Local Charities, such as the Association to Benefit Children and Publicolor.

ERIC SCHOENBERG



Eric Schoenberg is Chairman of CampusWorks, Inc., a provider of technology leadership services to universities and colleges. He is also an Adjunct Associate Professor at the Wharton School of the University of Pennsylvania, where he teaches a class on Family Wealth. Dr. Schoenberg also conducts research on the psychology of money and asset

market bubbles and has taught behavioral economics, decision making, and leadership at Columbia Business School, NYU's Stern School of Business, and the Haas Business School of the University of California at Berkeley. Previously, he was Managing Director and Chief Knowledge Officer of Broadview International, a boutique investment bank offering merger and acquisition advisory services to Information Technology companies. Before that, he served as a Foreign Service Officer in the U.S. Department of State. He is a Trustee of the Rubin Museum of Art; an Overseer of the University of Pennsylvania Museum of Anthropology and Archaeology; and Chairman of the Investment Committee of Planned Parenthood of Greater Northern and Central New Jersey.

TRELLIS STEPTER



Trellis Stepter is the Program Associate for the Piper Fund. He was the 2011-2012 Proteus Fund Diversity Fellow hosted by Irene E. and George A. Davis Foundation and the Proteus- Piper Fund. Before the fellowship, Stepter worked in public service in both the executive and legislative branches. He served as the Director of Government Affairs for the Secretary of Transportation in the administration of Governor Deval Patrick. He also served as Chief of Staff and Legislative

Policy Analyst in the Massachusetts House of Representatives with a focus on education, affordable housing, and social and economic justice policy.

GEORGE ZIMMER



George Zimmer is the Founder and former CEO and Chairman of The Men's Wearhouse. Founded in 1973, he led the Company as Chief Executive Officer through 2011, at which time he named a successor. Mr. Zimmer is an active Advisory Board member with the Oakland Zoo and the Boys and Girls Club of Oakland and has served on numerous other boards, both for profit and non-profit, throughout his career. George is widely recognized in his community for

his philanthropic efforts, which include Institute of Noetic Sciences, Chabot Space & Science Center, and Northern Lights School, all in the Bay Area. He received Honorary Doctorates from Holy Names University and the Institute of Transpersonal Psychology and the University of Redlands. Mr. Zimmer earned a Bachelor of Arts in Economics from Washington University in 1970.



THE PATRIOTIC MILLIONAIRES WITH PRESIDENT OBAMA, THE WHITE HOUSE, TAX DAY 2012

America is in transition. Similar to other transformative moments, this time is fraught with tension and conflict, angry rhetoric, and gridlock. But regardless of how contentious these renegotiations can seem at the time, in the past most have ultimately resulted in a stronger, more prosperous, and just nation.

The Patriotic Millionaires believe that this challenging period of transition could be the beginning of America's greatest era, one defined by both prosperity and community. We must enter this renegotiation with a clear vision of the outcome we hope to achieve. In this volume, we explore some basic principles we hope will advise the next chapter of the American story. They are:



ALL CITIZENS ENJOY ACCESS TO POLITICAL POWER EQUAL TO THE POWER ENJOYED BY MILLIONAIRES, LOBBYISTS, AND CORPORATE CEOS.



ALL CITIZENS WHO WORK FULL TIME ARE GUARANTEED A
WAGE SUFFICIENT TO COVER THEIR BASIC NEEDS.

TAX RECEIPTS FROM MILLIONAIRE/BILLIONAIRE CITIZENS AND MAJOR CORPORATIONS COMPRISE A GREATER PROPORTION OF FEDERAL TAX REVENUES.

These terms enjoy broad support from Americans across the political spectrum, across geographical boundaries, and regardless of economic circumstance.

They could form the basis for a powerful and prosperous new era in American history.

ABOUT THE PATRIOTIC MILLIONAIRES:

The Patriotic Millionaires are a group of 200 high-net-worth Americans who are committed to building a more prosperous, stable, and inclusive nation. The group focuses on promoting public policy solutions that encourage political equality; guarantee a sustaining wage for working Americans; and ensure that millionaires, billionaires, and corporations pay a greater percentage of taxes.

The Patriotic Millionaires have appeared in hundreds of media outlets here and abroad, including The Daily Show with Jon Stewart, the PBS NewsHour, *The New York Times*, *Washington Post*, CNN, MSNBC, Fox News, and many others.

PatrioticMillionaires.org

