

2040 – What will America look like?

The year 2040 http://www.usc.edu/schools/price/futures/pdf/2011_Pitkin-Myers_Projections-Immigrant-Generations-and-Foreign-Born.pdf is the year that most demographers predict the racial composition of this country will change. In that year, whites will no longer be the majority population in this country. They will be just under 50% of the population and the United States population will be a blend of Whites, Hispanics/Latino, Blacks and Asian Americans. The challenge for the country is that these demographics reflect the rest of the world and how does this country leverage these changing demographics to both retain its economic leadership and ensure that the country provides the quality of life for all Americans?

These questions should drive public policy and investments so that we will have a country where almost 400 million people can maintain the standard of living all that American has become accustomed to. The cost of living is already challenging the current generation to get started in our society. If we approach this as a business problem that must be solved, we can put the ideological perspectives in their appropriate place and focus on solutions that benefit the entire society. America is diverse with numerous special interests; however, most would agree that we would like to maintain our current standard of living, if not to improve it. If we are going to do that, this country must face the following realities:

- It must provide good paying jobs for 200 million persons (50% of the eligible population);
- The costs to maintain the America's standard of living will continue to rise;
- Technology makes industries and function more efficient; but more people will require jobs;
- People will be living longer and this will increase the requirements for health and social care;
- Competition for new industries will be global;
- Good paying jobs will require employees to be technically skilled;
- An increasing number of immigrants will come to this country with new economy skills;
- That many of the people that live here will not have the skill for the new economy.

How will America look in 2040? There are two different scenarios. The first is to continue on our current path and train of thought. We can continue to think that this country is the center of the world and we only look at surface indicators (i.e. the unemployment rate) as an indicator of our economic viability. Nothing needs to change. If we do that, then we don't recognize that good paying manufacturing jobs have been eradicated and replaced generally with non-skilled low paying jobs. That the numbers of career government jobs are being eliminated and restructured to more highly skilled jobs. Both of these categories of employment were essential to the country's employment directly impacted the economic rise of the middle class, especially in the African American community. Finally, we can continue to think that this country will continue to provide the social safety net for those who cannot find a job. If we don't make any changes, then we will continue the disproportionate distribution of wealth, we will have concentrated areas of economically disenfranchised communities and a greater percentage of the population will be classified working poor. This will cease to be the land of opportunity and the voiceless will react.

Conversely, the Year 2040 can be the target date that America can focus on if it is going to remain both an economic leader and continue to be the place that all have an opportunity to succeed. The European

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immigrants that built this country in the 20th century have evolved to the Latino and Asian immigrants of the 21st Century. There is also a significant African American population in the country that has been excluded economically. Policy and plans must be created and implemented that permit the country to leverage their ingenuity and skills to create a society that all can live and succeed. There are a number of factors that will determine if America can provide opportunities for all who live here; however, it is imperative that they be addressed if our society is to remain viable. The inability to provide these opportunities will have both economic and social consequences. We must create policies that permit each group to capitalize on their strengths and create economic opportunities, in a globally competitive society. The policy must recognize that innovation is the key to producing the new products and services essential to both our economic recovery and sustained viability now and for the future. If America leverages this collective creativity then all communities can participate in the benefits derived from innovation. It can be the equalizer that permits America to retain its global and economic leadership role. To achieve this recommend the following:

- That the Federal Government spends approximately \$1T a year buying goods and services; that procurement reform is required to expand opportunities for minorities
- The Government spends \$140B a year in Research and Development that generates intellectual property revenues; should the government be sharing in those revenues as a source of income?
- Examine the Federal investments other than tuition assistance in colleges and universities to determine if we can reduce educational costs
- Give America's Minority Serving Institutions and its Historically Black College and Universities the mission of urban and rural revitalization by partnering them with Federal laboratories to bring new economy opportunities to distressed communities

The Year 2040 will be the next phase of America's evolution where the greatest society in the history of man evolves into this new economy leadership role. The United States was the leader in the first industrial revolution based in manufacturing and has the infrastructure (colleges and Universities) to lead the world in advanced manufacturing and other new economy industries. All leadership must recognize there is a solution based on leveraging diversity to continue as the world's economic leader. This can happen if Government, at all levels, creates the Public Private Partnerships that creates next generation companies and industries locate them in all communities. Comprehensive programs must be developed to increase the numbers of woman and minority owning these companies. Finally, we must developed a balanced approach to training so that people are not only prepared with the right skills, but that employers are incentivized to higher people from every community. Now is the time to build an inclusive foundation that prepares every community for the global economy. The Olympics demonstrated the power of America's diversity and we should expand it to very sector of the economy.