



To: Candidates and Elected Officials

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RE: The Growth and Opportunity Imperative for America

Today, many Americans do not feel like the economy is working for them. They're feeling the burden of rising prices, homeownership seems increasingly out of reach, and the government is drifting further down the path of unsustainable debt and deficits with no clear plan to correct course.

To create the future we want, and the next generation deserves, we call on candidates and elected officials to pursue policies that will significantly boost America's growth.

Economic growth is not just a static number on a chart. It is a snapshot into the lives of everyday people—the value of their efforts, their ability to provide for themselves and their families, the belief that their children's lives will be better than their own. It is the driving force that powers the American Dream, where individual effort can lead to upward mobility regardless of one's position on the socioeconomic spectrum. Sustained economic growth enhances the overall quality of life for all, increases incomes, expands opportunities, fosters innovation, and strengthens our nation.

The benefits of growth are clear, but the path to renewed growth is too often overlooked. At the U.S. Chamber of Commerce, we believe America needs a growth and opportunity imperative—a national priority, driven by people through innovation and productivity and fostered through sound public policy.

U.S. Chamber of Commerce

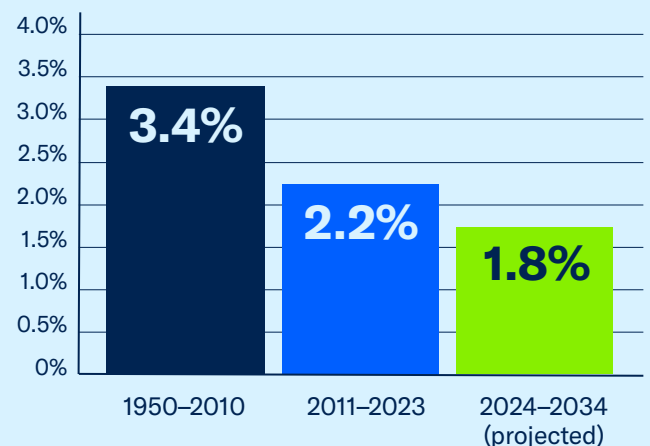
# Synopsis

Many of the tailwinds that helped sustain rapid economic growth from 1950 to 2010 have dissipated. At the very time we need faster sustained growth to help solve problems, we face a future where growth will be dramatically slower. Going forward, public policy will play a decisive role in ensuring America can continue to grow and prosper, creating more and better opportunities for Americans. The U.S. Chamber of Commerce is calling on all candidates and elected officials to embrace the Growth and Opportunity Imperative, establishing a goal of at least 3% economic growth annually and prioritizing policies that will support faster sustained economic growth. To inform policymakers, the Chamber will release a series of memos outlining the policies that can help support the growth the American people deserve.

## What We Mean by Growth:

This memo discusses economic growth in terms of the increase in real (inflation adjusted) gross domestic product (GDP). What this economic statistic really represents is the increase in the quantity and quality of the goods and services that a country produces that improve our quality of life and standard of living.

### Annual Real Economic Growth



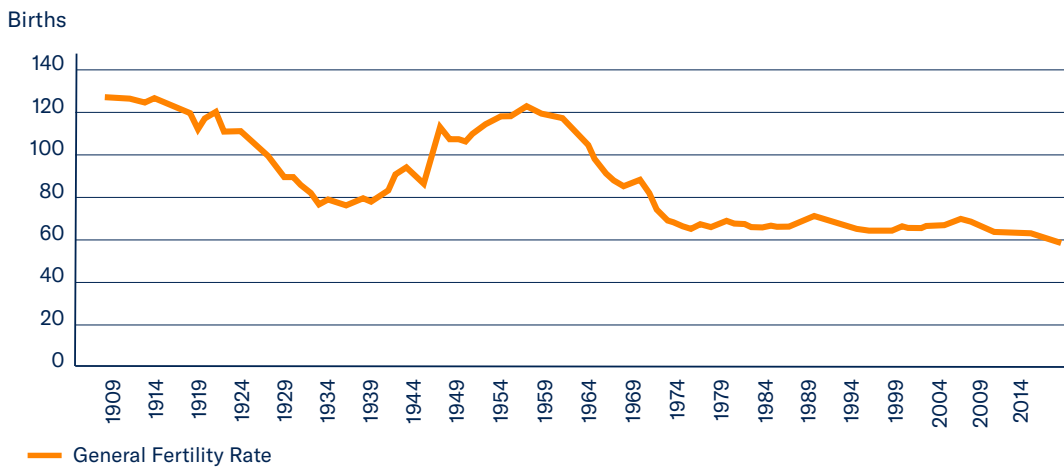
Source: U.S. Bureau of Economic Analysis; Congressional Budget Office

# The Slowdown in Economic Growth

From 1950 to 2010, real economic growth in the United States averaged 3.4% a year, even with recessions.

- As a result, the 2010 economy was seven times larger than the 1950 economy.
- The population of the U.S. also grew during this period, but the economy grew faster. Real per capita GDP was more than three times larger in 2010 than in 1950.

## Births Per Thousand Women



Source: NCHS, National Vital Statistics System birth data; public-use data files; CDC WONDER

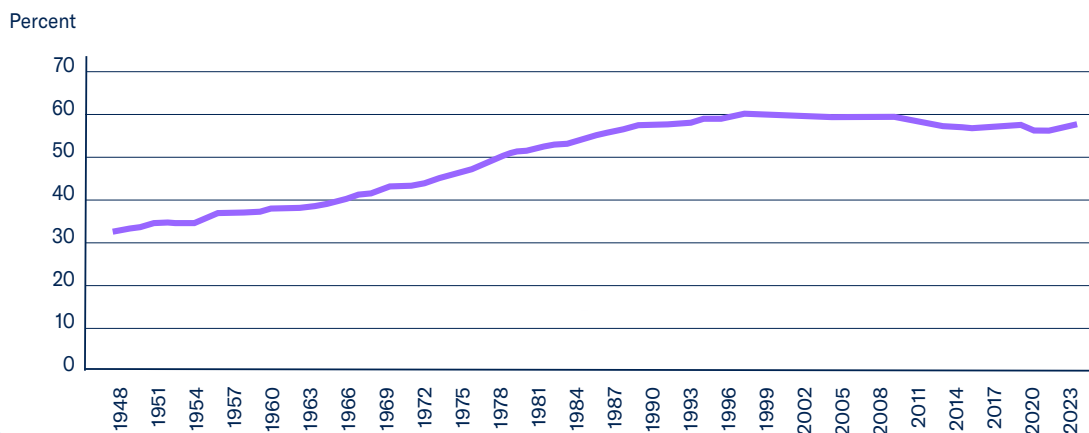
Since 2010, growth has averaged just 2.2% a year.

The nonpartisan Congressional Budget Office projects even slower growth, averaging just 1.8% for the next decade.

Much of the slowdown is attributed to the decline in tailwinds, which had supported faster economic growth:

- In the 1950s, in the aftermath of World War II, while the rest of the world was rebuilding, America was able to convert its vast military production into domestic manufacturing production. This burst of economic activity supported rapid growth.
  - Since then, our economy has matured into a more service, technology, and innovation-based economy.
- In the 1960s, the baby boomer generation began entering the workforce and continued to do so through the early 1980s, leading to a rapid expansion of the labor pool.
  - With the youngest baby boomers now reaching the age of 60, most of this generation has exited the workforce.
- Beginning in the 1960s and continuing through the 1990s, there was a dramatic increase in the number of women in the workforce, with female labor force participation jumping from 38% in 1960 to 60% in 1999.
  - Today, female labor force participation is 57%.

## Female Labor Force Participation Rate



Source: U.S. Bureau of Labor Statistics

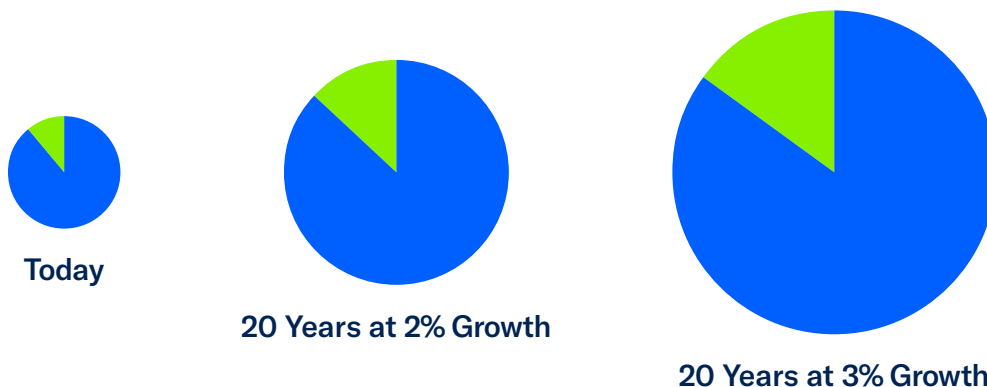
## Faster Growth is Essential to the American Dream

A big part of the American Dream is the idea that our children will be better off than we are, and our grandchildren will be even better off than their parents. Our ability to substantially improve our lives depends, in part, on how quickly the overall economy is growing. It is much easier for our slice of the pie to get bigger when the overall pie is also getting bigger.

Sustained economic growth provides a foundation for broad-based prosperity by expanding opportunities, increasing incomes, fostering innovation, and enhancing the overall quality of life for individuals and families. It is a critical driver in reducing poverty and creating a society where everyone has a chance to thrive.

- When our economy is growing at 3%, someone who is born today will see America's economy double in size by the time they are in their early 20s.
- At 2% growth, it will take until they are in their mid-30s for the economy to double.

### The Faster the Pie Grows, the Faster Our Slice Grows



# Faster Growth Provides Us with More Choices at Lower Prices

Real economic growth not only expands wages and income (enabling us to afford more of the goods and services we need and want) but also boosts production, giving us more choices at lower prices. The result is a higher standard of living. For example:

- Shopping for Children's Shoes
  - In 1980, if you wanted to shop from home, say for children's shoes, that most likely meant the 1,566-page Sears Spring / Summer Catalogue, where you would find about 15 styles of children's shoes ranging in price from \$8.99 to \$25.99. At the median weekly earnings of \$269 and average hours worked, it would take two hours of work to pay for a \$15 pair of shoes.
  - On Amazon right now you can find over 20,000 options with prices as low as \$4 and as high as over \$200. A \$15 pair of shoes today would require less than a half-hour of work at the median wage and average hours worked.
- Buying a Cell Phone
  - In 1983, the first commercially available handheld cellular phone (the Motorola DynaTAC 8000x) hit the market at \$3,995. At a median weekly salary of \$316, it would have taken you nearly 13 weeks to buy a cell phone. (Music player, map, address book, calculator, etc., not included.)
  - Today, you can buy an iPhone 15 for \$799. At today's median weekly salary, that would require less than a week of work to earn.
- Purchasing a New Car
  - In 1992, the lowest MSRP for a Toyota Camry was \$14,368 and it got 21 miles to the gallon. At the median weekly wage of \$443, it would take just over 32 weeks of work to earn enough to pay for the car.
  - Today, the lowest MSRP for a 2024 Camry is \$26,420 and it gets 32 miles to the gallon. At today's median wage, it takes just over 23 weeks of work to pay for the new car.

# Faster Growth is Essential to Taming Rising Federal Debt

Persistently high deficits and the growing federal debt are rightfully a concern. While fiscal policies are key to stabilizing our growing debt, economic growth will also play a critical role.

Increasing productivity such that we increase economic growth by just a half a percentage point a year, from 2% to 2.5%, would by itself decrease the federal deficit by \$1.2 trillion over the next 10 years.

- The opposite is also true: If productivity is less than expected under current economic assumptions and the economy grows at just 1.5% on average, that by itself would increase the deficit by \$1.2 trillion.

## The Role of Public Policy and a Pro-Growth Goal

When an economy has strong tailwinds, it can grow rapidly despite bad public policy. When those tailwinds disappear, public policy plays a critical role in maximizing opportunities for growth.

To grow America's economy and create better opportunities for Americans we need policies that:

- Support a larger and more skilled workforce.
- Support investments in innovation and cutting-edge technology and the private-sector deployment of those innovations to improve productivity.
- Embrace the economy of the future, rather than trying to recreate one of the past, and give the private sector the certainty to plan, invest, and grow.

To properly orient these policies, we need a goal and a test. The U.S. Chamber of Commerce is calling on elected officials and candidates to embrace a goal of at least 3% annual real growth over the next decade – a 50% increase over current projections – and to use that goal as test against which policies are judged.

# A Pro-Growth Agenda

The advantages of achieving growth are evident, yet frequently, the route to revitalizing growth is neglected. Finding a way to increase growth should be the key focus of all policymakers. Between now and November's election, the Chamber will outline policies that will help us reach the goal of 3% annual real economic growth.

The forthcoming memos on the topics listed to the right will help you and your staff see how policy decisions in these critical areas can help accelerate the economic growth that will improve the lives of your constituents and create a brighter future for us all.

## Coming Soon

- Taxes
- Trade
- Immigration and Workforce
- AI
- Skills
- Regulations
- Antitrust
- Energy
- Federal Debt
- Legal Environment and Rule of Law
- Labor and Workforce
- Permitting
- Capital Markets
- Intellectual Property
- Infrastructure
- Housing
- Maintaining our National Economic Union
- Free Enterprise