



JASON FURMAN

Leading economists defend free economy

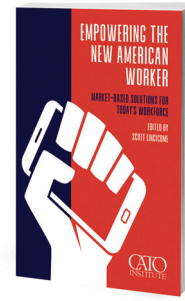
PAGE 5



KEMI BADENOCH

Promoting free markets in the UK and U.S.

PAGE 9



EMPOWER WORKERS

Handbook for pro-liberty policies

PAGE 16

Cato Policy Report

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Has School Choice Turned the Corner?

BY NEAL MCCLUSKEY

In 2017, Arizona passed a law that would have made every child in the state eligible for an education savings account (ESA), money a child’s parents could use not only for private school tuition but also for tutoring, therapies, and more. It elicited an immediate counterattack: signature gathering for a ballot initiative to reverse the expansion, spearheaded by a group called Save Our Schools Arizona. The effort, unfortunately, had great success, easily gathering the signatures needed to put repeal on the ballot—it got more than 111,000 signatures—and trouncing the expansion, 65 to 35 percent.

Fast-forward to 2022. In July, Arizona governor Doug Ducey signed into law another universal ESA. Immediately, Save Our Schools sprang into action, launching another signature campaign to strike down the law. Said Beth Lewis, the group’s director, “Arizona voters will be eager to reject HB 2853 (Universal ESA Voucher Expansion) once and for all . . . sending a clear message to national privatizers that Arizona voters overwhelmingly support

public schools and want our lawmakers to prioritize them.”

But something happened on the way to re-smacking down choice. Despite the group’s confidence, Save Our Schools failed to secure the needed number of signatures to reach the ballot, with the estimated total coming in under 89,000—far short of both what was needed and the 2017 tally.

That was great news for Arizona. But what about the national school choice movement? Is what happened in the Grand Canyon State an aberration or the leading edge of educational freedom turning from exception to norm?

In recent years, we have seen remarkable growth in private school choice programs. In 2021 alone, 19 states created new programs or expanded existing ones—far more than any previous year. The total number of programs went from 65 to 76. By one estimate, the 2021 expansion opened 1.6 million new choice slots, not including changes to North Carolina’s ESA enacted late in the year. Arizona’s 2022 universal expansion adds about 1 million more new slots, bringing the total to 2.6 million. To put that in perspective, in the 2020–21 school year, 660,085 students were

Continued on page 6

NEAL MCCLUSKEY is the director of the Cato Institute’s Center for Educational Freedom. He is the author of *The Fractured Schoolhouse: Reexamining Education for a Free, Equal, and Harmonious Society* and coeditor of *School Choice Myths: Setting the Record Straight on Education Freedom*.



Cato senior fellow **MUSTAFA AKYOL** (right) hosts former Tunisian president **MONCEF MARZOUKI** to discuss authoritarianism in Tunisia and the Middle East with Cato staff.



BY DAVID BOAZ

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EDITORIAL

Defending Liberal Values

Illiberalism and authoritarianism seem to be on the rise worldwide. Of course, most of history is characterized by authoritarianism and illiberalism. But a democratic wave that began in the 1970s and peaked around 1989 seems to have reversed lately. Nearly 75 percent of the world’s people live in a country that faced a decline in freedom in 2020, and that trend continues.

I don’t have space to list all the authoritarian or illiberal countries—Russia and China are no surprise, though it’s disappointing that what seemed like progress in both countries is now being reversed. Saudi Arabia and many Central Asian and African countries have been mired in authoritarianism for decades. Perhaps more worrisome is the rise of authoritarianism in countries like Turkey, Hungary, Venezuela, Mexico, the Philippines, and India.

American libertarians have usually identified the left as the biggest threat to ordered liberty, especially since the defeat of fascist powers in 1945. But now we see rising illiberalism and authoritarianism on both the right and the left.

We used to talk about the struggle between capitalism and communism; an important struggle it was and remains; but there are other ways of dividing the world. The British journalist Michael Hanlon in 2013 suggested a “morality gap” among the nations—those built on post-Enlightenment human rights, and the other half of the world that follows “a different moral code: might is right, all men were not created equal and there is a right and a wrong form of sexual orientation.” He wrote that “attitudes to homosexuality show the morality gap in sharpest relief. . . . Across a swath of northern Europe, much of the US and Canada, Latin America, Israel and much of east Asia,” there’s growing tolerance and legal equality. But not everywhere, and some parts of the world are actually regressing.

Sadly, it’s not just the “rest of the world” where retrograde attitudes can be found.

Across the Western democracies the percentage of people who say it is “essential” to live in a democracy has plummeted, and it is especially low among younger generations. In a 2014 U.S. survey, 32 percent said it would be better to have a “strong leader” who does not have to “bother with parliament and elections.”

So what does this mean for the Cato Institute? To begin with, it reminds us that our defense of liberal and libertarian ideas matters more than ever. Liberal values

from free markets to free speech are under assault, and they need a strong and principled defense. We won’t be alone in this effort. When we think of liberal values in the broad sense, we can find allies among free-market conservatives, free-speech liberals, and people who are often described as “fiscally conservative and socially liberal.” In the past few months, two prominent Democratic economists, Lawrence H. Summers and Jason Furman, spoke at Cato and demonstrated that most economists agree on a number of microeconomic reforms as well as on the broader necessity of private property, market exchange, and free trade. But part of our job is to persuade people of the value of a more robust commitment to individual rights and strictly limited government.

We combine our policy analysis with an emphasis on basic economic principles for average citizens. Libertarianism.org has published several short books on free markets, Austrian economics, and trade. We’ve added new experts and capabilities in the Herbert A. Stiefel Center for Trade Policy Studies and the Center for Monetary and Financial Alternatives. Ryan Bourne joined us as our first R. Evan Scharf Chair for the Public Understanding of Economics.

As conservatives have become less committed to free markets, so progressives have lost their commitment to free speech. At Cato we believe in the Bill of Rights, including the First Amendment, and we are working to protect and extend freedom of speech on campus, in the media, and in election communications. We oppose efforts to use the power of government to punish people for expressing dissenting opinions.

Around the world people look to the United States as a shining city on a hill, a beacon of “Liberty Enlightening the World,” the formal name of the Statue of Liberty. And liberals around the world look to the Cato Institute, which George Will called “the foremost upholder of the idea of liberty in the nation that is the foremost upholder of the idea of liberty.” So our job for 2023 and beyond is to stick to our principles, improve our defense and presentation of those ideas, and work to ensure that the United States improves its own commitment to individual rights and limited, constitutional government.



Jeb Hensarling



Anastasia Boden



Ilya Somin

Cato Is Expanding

Maximizing our ideas, influence, and impact

Several accomplished scholars and analysts have joined the Cato Institute’s policy staff recently. **Jeb Hensarling**, who served in the U.S. House of Representatives for 16 years and chaired both the House Republican Conference and the House Financial Services Committee, has been named economics fellow. He will be writing and speaking on economic policy and advising Cato staff on strategy.

Anastasia Boden has been named director of the Robert A. Levy Center for Constitutional Studies. She joins Cato from the Pacific Legal Foundation, where she was a senior attorney and led the equality and opportunity program. She got her law degree at Georgetown University, where she was a research assistant to Professor Randy Barnett, a Cato senior fellow. After law school she was both an intern and a legal associate at Cato.

Also at the Levy Center, **Ilya Somin**, professor of law at George Mason University and a longtime Cato adjunct scholar, is now the B. Kenneth Simon Chair in Constitutional Studies. He’s the second occupant of the chair, after Roger Pilon, who held it from its inception in 1998. Somin is the author of several books, including *Democracy and Political Ignorance: Why Smaller Government Is Smarter*, and writes frequently both for law journals and the Volokh Conspiracy blog.

Joshua Shiffrin, a professor at the University of Maryland, has been named a nonresident senior fellow of the Cato Institute. Shiffrin has published extensively on international security policy, U.S.-Chinese relations, NATO enlargement, U.S.-Russian relations, and nuclear policy and is the author of *Rising Titans, Falling Giants: How Great Powers Exploit Power Shifts*.

Marc Joffe has joined Cato as a federalism and state policy analyst. After a long career in the financial industry, including a senior director role at Moody’s Analytics, he transitioned to policy research, having most recently worked at the Reason Foundation. Joffe’s research focuses on government finance and state policy issues.

Chad Davis joined Cato in November as vice president for government affairs. He spent 12 years working as a staff member in the House and Senate. More recently he handled legislation, external affairs, and communications at the Federal Deposit Insurance Corporation and other financial agencies. ■



Joshua Shiffrin



Marc Joffe



Chad Davis

Cato News Notes

MACKEY JOINS BOARD



John Mackey, the visionary entrepreneur who cofounded Whole Foods Market and led the company as its CEO over 44 years of persistent

growth, has been elected to the Cato Institute’s Board of Directors. He retired from Whole Foods in 2022.

Under his leadership, Whole Foods was named Number One Most Admired Food and Drug Store Company in the World, and Mackey himself received numerous “CEO of the Year” accolades.

Mackey has often been an outspoken defender of freedom and capitalism. His books include *Conscious Capitalism: Liberating the Heroic Spirit of Business*, and he created controversy more than once with his criticisms of Obamacare.

CATO’S IMMIGRATION WORK CONTINUES TO MAKE AN IMPACT

In conversation with Governor Greg Abbott on CNN’s *The Lead with Jake Tapper*, Tapper cited “an interesting study from the libertarian think tank the Cato Institute, which said Trump’s policies drove migrants to cross illegally and hide, and get away, as opposed to crossing and seeking asylum.” Tapper then showed an image of a 2021 blog post by Cato’s David Bier and quoted the piece: “Border Patrol recorded 41 percent more successful illegal entries in fiscal year 2019 than in 2016.” Bier is widely regarded as a leading expert on immigration, and recently participated in a *Wall Street Journal* debate on whether the United States should expand the H-1B visa program.



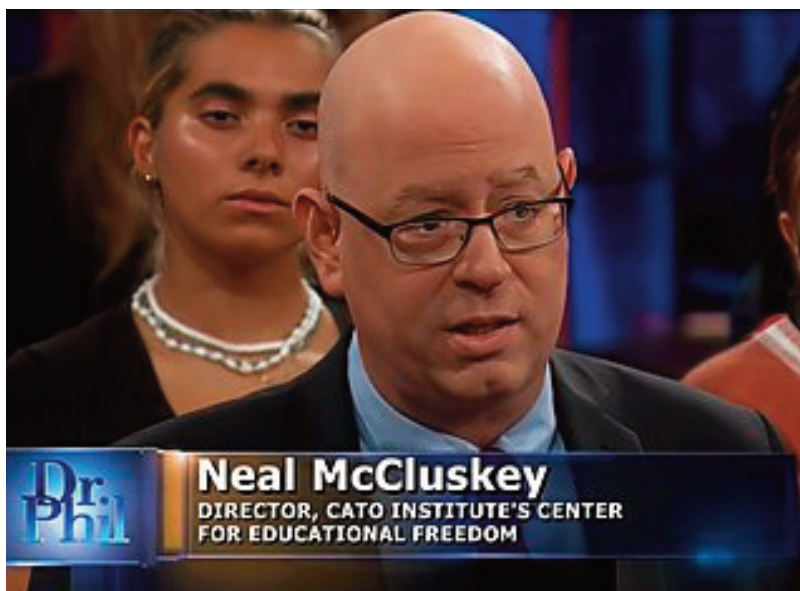
From left: **CHARLES CALOMIRIS** of Columbia University, Cato’s **IAN VASQUEZ** and **DEIRDRE MCCLOSKEY**, and **WILLIAM EASTERLY** of New York University participate in a workshop for Cato’s “Exploring the Role of Freedom in Human Progress” project in November.



“The Rise of ESG and Future of Financial Regulation” conference brought leading economists, policymakers, journalists, and academics to Cato, including (1) **MARK UYEDA**, commissioner, U.S. Securities and Exchange Commission; (2) **CHRISTINA PARAJON SKINNER**, University of Pennsylvania; (3) **DOUGLAS CHIA**, president, Soundboard Governance (left) and **BILL HULSE**, vice president, Center for Capital Markets Competitiveness, U.S. Chamber of Commerce; and (4) **LINDSEY KELJO**, SIFMA Asset Management Group (left) and **JAMES MCGINNIS**, counsel, Ropes & Gray LLP.



A Cato conference—“New Challenges to the Free Economy (from Left and Right)” —brought together leading economists and policy-makers to discuss the political threats of progressivism and national conservatism to the free economy. Among the speakers were (1) **DOUGLAS HOLTZ-EAKIN**, former director, Congressional Budget Office; (2) **JASON FURMAN**, chief economist for President Barack Obama; (3) **ADAM S. POSEN**, president, Peterson Institute for International Economics; and (4) **ELISABETH KEMPF**, professor, Harvard Business School. See page 13 for the story.



NEAL MCCLUSKEY was invited to participate in a special debate episode of *Dr. Phil* as a leading opponent of Biden’s federal student debt cancellation plans. He was one of several experts given a prominent position in the debate alongside pundits, social media stars, and parents.



A book forum for *Freedom’s Furies: How Isabel Paterson, Rose Wilder Lane, and Ayn Rand Found Liberty in an Age of Darkness* featured a panel discussion with author and vice president for legal affairs at the Goldwater Institute **TIMOTHY SANDEFUR**.

Continued from page 1

using private choice programs. Add those to potential new ones, and the total could increase to almost 3.3 million. And early this year, Iowa and Utah passed new universal programs, with similar legislation filed in several other states.

The politics of school choice also seem increasingly favorable.

The first indication that supporting choice might be a politically winning strategy was the election of Ron DeSantis (R) to the Florida governorship in 2018. In a race against Andrew Gillum that DeSantis won by 32,463 votes out of more than 8 million cast, it is quite possible that DeSantis's support for school choice put him over the edge. As William Mattox of Florida's James Madison Institute argued at the time, DeSantis collected roughly 60,000 more votes from black women than would have been predicted by black men's votes for DeSantis and black women's votes for Republicans in other elections. Mattox explained:

More than 100,000 low-income students in Florida participate in the Step Up for Students program, which grants tax-credit funded scholarships to attend private schools. Even more students are currently enrolled in the state's 650 charter schools.

Most Step Up students are minorities whose mothers are registered Democrats. Yet many of these "school-choice moms" vote for gubernatorial candidates committed to protecting their ability to choose where their child goes to school.

Education, and rhetoric that at least sounded like school choice support, appeared to make a big difference in the 2021 Virginia gubernatorial race. As the state was being roiled by COVID-19 masking battles and culture war fights, political novice Glenn Youngkin, a Republican, spoke a lot about empowering parents. Youngkin did not explicitly endorse private school choice, but many

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people assumed it would be included among his goals since he called for increased choice to make schools more responsive to parents.

More important than what choice mechanism Youngkin did or did not explicitly endorse—since taking office he has pushed quasi-public “lab schools” but also protected the state’s scholarship tax credit from cuts—was how his opponent, former Virginia governor Terry McAuliffe, a Democrat, responded in a debate to a discussion about parents and public schools. “I don’t think parents should be telling schools what they should teach,” he declared. The pronouncement, made during major parental unrest, gave Youngkin momentum he would not relinquish.

SCHOOL CHOICE: IT ISN'T JUST FOR REPUBLICANS ANY MORE

That a candidate should not appear averse to parent power seemed to be a lesson learned by at least two Democrats running for governorships in 2022, and not even in close races.

In Pennsylvania, Josh Shapiro endorsed Lifeline Scholarships for kids in poorly performing public schools, saying, “I’m for making sure we give parents the ability to put their kids in the best situation for them to be able to succeed. And I’m for making sure we add scholarships like Lifeline Scholarships to make sure that that’s additive to their educations.”

J. B. Pritzker, the incumbent governor of Illinois, ran on ending the state’s scholarship tax credit in 2018 and twice attempted to shrink the credit. In 2022, he changed his

tune, at least a bit, answering “yes” to the candidate survey question, “Do you support Illinois’ tax credit scholarship program that provides financial support for students to attend private and parochial schools?” Pritzker’s support was tepid—he said that he would keep the program because it is “relatively small” and that he believed its supporters would endorse more overall education funding—but it was nonetheless a clear change from four years earlier.

CHOICE IN THE COURTS

The judicial landscape has also become very school choice friendly.

The primary legal objection to school choice has been that, by enabling families to select religious schools, it violates church-state separation. The U.S. Supreme Court started dismantling this in 2002 with *Zelman v. Simmons-Harris*, in which it ruled that a voucher program enabling choice of religious and nonreligious schools did not violate the federal Constitution. Families, not government, determined if the money reached religious institutions.

Legal objections based on state constitutions have been defeated over the past few years. *Espinoza v. Montana* in 2020 saw the Court rule that states cannot invalidate a school choice program on the grounds that it includes religious schools among acceptable options. This year’s *Carson v. Makin* decision solidified that, ruling that a school that acts on its religion, such as incorporating religion in its curriculum, could not be excluded from a generally available tuition program.

The next major judicial battle may move from defense to offense, tackling not whether choice is constitutionally *permissible* but whether it is constitutionally *required*, at least for religious families. If government funds public schools, which must be secular, equality under the law would seem to require that it also provide funding for religious families to choose religious schools.

JUST A COVID-19 BUMP?

Much of school choice's recent success has, of course, coincided with the COVID-19 pandemic, an unprecedented and, hopefully, not soon to be repeated event. The pandemic has almost certainly had a major impact on where kids are being educated. In September 2022, strategic consulting firm Tyton Partners estimated that traditional public schools saw a roughly 15 percent enrollment drop between the period immediately before COVID-19 and spring 2022, while charter school enrollment rose 57 percent, private school enrollment grew 28 percent, and homeschooling rose a whopping 126 percent.

Has all the progress we've seen been attributable to the pandemic? To get a sense of whether choice might be on an upswing even absent COVID-19, it is worth looking at some longer-term trends.

Enrollment since 1999—the earliest year with readily available federal data on enrollment by K–12 school type—shows movement away from assigned public schools had been occurring pre-pandemic but that it wasn't a sea change. In 1999, 74.1 percent of school-aged children attended their assigned public school, 14.3 percent were in public schools of choice such as magnet or charter schools, 10 percent were in private schools, and 1.7 percent were homeschooled. By 2019, 70.8 percent attended assigned schools, 16.8 percent were in chosen public schools, 9.3 percent were in private schools, and 2.8 percent were homeschooled.

Private schooling saw a *decline* between 1999 and 2019, though there was slight uptick when combined with homeschooling. Indications of parental schooling preferences have also moved away from private schools over roughly the last decade. The school choice advocacy group EdChoice has asked parents about their preferences among public, private, charter, and homeschooling since 2013, and the share preferring private schools has dropped from 44.6 percent to 34.8 percent today. Meanwhile, the share expressing a homeschooling

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preference has risen from 7.3 percent to 13.6 percent. Combining private and homeschooling, the share of parents expressing a preference for private education has dipped from 51.9 to 48.4 percent.

This could be a bad sign for future choice expansion. That said, EdChoice has found that when people were directly asked about various school choice mechanisms, including ESAs, tax credit scholarships, and vouchers, support rose for all three between 2013 and 2019. Also, EdChoice suggests a drop in private school preference in 2022 might reflect their asking about choice among public schools for the first time. And even with the reported drop in preference for private education, it is not being consumed at nearly the level parents prefer. EdChoice found that 35 percent of current school parents would prefer that their children attend private school, but in 2020 only 9.7 percent of kids did so; 11 percent preferred homeschooling, but only 2.6 percent did so.

TEMPERED OPTIMISM

Whatever the long-term trends, it is unreasonable to expect a repeat of 2021 in the next few years.

The primary reason for this is that COVID-19 created arguably the least favorable conditions possible for a communal activity like public schooling: a new, highly contagious virus that provoked widespread, sometimes literally deadly, fear of physical proximity to others.

This made the stakes of what public schools did extremely high as they chose between sacrificing safety or educational quality, inevitably angering parents worried about their children's basic needs: health and education.

With COVID-19 declining as a concern, public schools have typically returned to normal operations in the 2022–23 school year, taking away what was likely a major driver of increased home and private schooling. Some parents will likely continue to harbor resentments about how public schools responded to the pandemic, and sometimes how public school officials responded to them personally, but no doubt many just want a return to comfortable normalcy: the local public school.

This is borne out in recent polling. Consistent with long-standing trends, in 2022 Gallup found that while overall adult support of U.S. K–12 education is low—42 percent were “completely” or “somewhat satisfied,” down from about 50 percent in 2020—80 percent of parents with school-aged children reported satisfaction with their schools, up from around 72 percent in 2020. The sample, importantly, was not restricted to traditional public-school parents, but they made up 82 percent of it.

Even with this, there is evidence that the COVID-19 experience has left a permanent imprint on many parents' minds. In another survey by Tyton Partners, 59 percent of parents reported that their preferences for their children's education had changed due to the pandemic; 52 percent wanted more power going forward to “direct and tailor” their “child's educational experiences.”

In addition to COVID-19 being less of a motivator, it is likely that we will see renewed political vigor among choice opponents. Politics tends to move in pendulum swings, and things swung forcefully toward choice over the last few years. It is not clear what status quo defenders such the National Education Association or American Association of School Administrators could do to escalate their opposition to choice—they have always been staunch-

ly opposed—but we should not be surprised if anti-choice rhetoric heats up.

What is perhaps most in the school choice movement’s long-term favor is that growth tends to cement itself, creating a broader baseline than before from which to work. Once a program of any kind is in place, it gets a constituency that becomes highly motivated to defend and advance it. For school choice in particular, not only does it get that, but any politician who seeks to dismantle it has to accept being the face of efforts to kick children

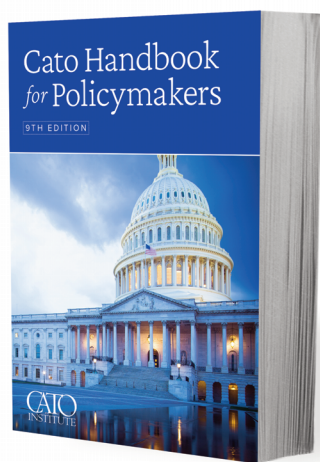
out of schools that have been their educational homes. This is a major reason that since 1990—when the first modern voucher program was

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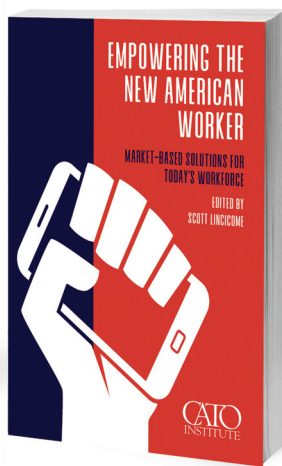
established in Milwaukee, Wisconsin—there has not been a year in which the number of active private school choice programs nationwide has declined, save for consolidations into bigger programs, as happened in Florida and North Carolina in 2022. The reach of choice has consistently grown.

It is hard to conclude that educational freedom has turned a corner from exception to norm. But it has made huge progress over the last few years, and it is almost certainly here not just to stay but to flourish. ■

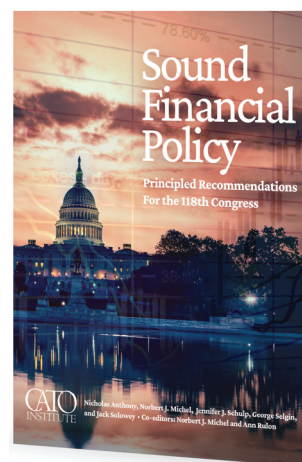
Handbooks for Congress



Now in its ninth edition, the *Cato Handbook for Policymakers* sets the standard in Washington for reducing the power of the federal government and expanding freedom. Each chapter offers policy suggestions and issue-by-issue blueprints for promoting individual liberty, free markets, and peace.



This comprehensive handbook offers a roadmap for what Cato Institute scholars believe to be the most important market-oriented policies to empower American workers, covering a broad array of issues including education, housing, remote work, health care, criminal justice, and licensing.



For policymakers who want to improve financial markets, this policy guide provides many practical solutions to reduce excessive government regulation and involvement in financial markets with policy suggestions covering financial privacy, monetary policy, increasing competition and innovation in the financial sector, and more.



AVAILABLE ONLINE AT CATO.ORG

Getting Back to Free Trade and Growth in the UK, the U.S., and the World

There is a long-standing bipartisan consensus in favor of free and open trade in the United States. Liberal trade policies promote peace and cooperation and enrich and empower the world's poorest and most vulnerable people. Protectionist alternatives have shown to impose far higher costs while making us all poorer and less secure in the process. Why then has the world become more protectionist? In November, Cato hosted [Kemi Badenoch](#), the U.K. secretary of state for international trade, who spoke on her experiences growing up under strict protectionism in Nigeria and why she is now promoting free markets every way she can.

I grew up mostly in Nigeria and moved to the United Kingdom when I was 16. I grew up with military governments, so I have a firsthand experience of authoritarianism and protectionism that I think is quite unique—not just in the UK but in what we call “the West” today.

I think it is quite extraordinary that I am standing here today as the UK's trade secretary—but I am here, and here is what I want you to know: when I talk about a belief in free trade, it is not empty rhetoric. I'm speaking from personal experience of what happens when you don't have it.

I've seen what happens when a nation can't trade, or worse, embraces protectionism. The result is not growth and the nurturing of local industries; the result is poverty, and the very best of a country's talent leaving to find opportunities elsewhere. People worry about the free market and talk about it like it's an uncontrolled experiment, but the market is people having the freedom to make choices to improve their lives. It does need good regulation so that people don't cheat the system and to prevent unfair trading practices, monopolies, and exploitation of

consumers. But we need to have free trade and free markets, because when you don't, weird things happen.

For example, when the government wanted to improve the tomato industry in Nigeria, it banned tomato imports. What didn't happen was loads of farmers deciding to grow tomatoes; what instead happened was tomatoes becoming like diamonds in terms of how hard it was to get them. The supply dried up completely. The prices went up. Big companies that used tomatoes as an ingredient cornered the market, and people who needed them just to make food—caterers, restaurants—couldn't access them. That is not how you grow a local industry.

I saw it happen over and over. In finance, capital controls effectively turned the currency into wastepaper. When the government banned rice imports, rice became a black-market product. My mother came to visit me in London, and when she left, her suitcase was not full of clothes or souvenirs; it was full of bags of rice. It became a very precious commodity. That is what a lack of free trade and free markets creates.

I'm fighting for something I really believe

in: Free markets and free trade make the world a better place, and that is the only purpose to becoming a politician. Nothing else matters.

So then, why has the world become more protectionist? The United States and the United Kingdom have done a lot to expand the concept of free trade, especially in the last 75 years. We founded the multilateral trading system with our allies, and our transatlantic partnership embodies why free trade works and why it matters so much. But one of the many reasons that I am so frustrated by the trope that Brexit was the UK retreating from the world is because it is completely untrue. I voted to leave the European Union, and I saw Brexit as a once-in-a-generation opportunity for the UK to embrace the world; and trade was, and still is, at the heart of that.

Well, why does it feel like everyone is becoming more protectionist? The answer is uncertainty. We live in uncertain times. A global pandemic that changed our understanding of the world, Russia's war in Ukraine, and a more assertive China are just three of the things that are making people more fearful about the future. Relatively low economic growth in the West over recent decades, compared to what people are used to, has also caused part of this problem.

So, what can we do? What do we need to do to provide more security for the people of the world? That relatively low economic growth is absolutely terrifying. For those who saw the postwar 20th century, it makes a lot of our contemporaries feel poorer than they actually are. When you compound that with the belief that jobs are being taken away either by technology or by offshoring, it's no surprise that the instinct is to protect what we have.

If we are going to make people feel less protectionist, we are going to have to make them feel more secure first, and we need to show how free trade and free markets, when done properly, do provide security. Trade as a tool of security is at the very heart of the trade policy that I am going to be pushing as the UK's trade secretary.

The United States and the United Kingdom can provide security by doing three things: (1) investing in the future, not just the present; (2) securing and diversifying supply chains—which means more trade not less; and (3) deepening international partnerships.

Here are some examples of how we are doing this in the UK in just one area, using climate change as an example. Two weeks ago, I launched the UK's green trade and investment expo, securing millions of pounds that will grow the UK economy and create jobs across the industries of the future. We all know that climate change is a challenge for us all, wherever we live in the world, but we know that we can and should solve it by using free trade and investment to accelerate the technological progress that will protect the planet. Something that not enough politicians say is that we must do this—we must protect the planet—in a way that does not impoverish the United Kingdom, the United States, or any other country.

I talked next about securing and diversifying supply chains. We will need this to support energy security globally. In Europe, Russia's invasion of Ukraine has made it clear that relying on authoritarian regimes for energy is not sustainable. Doing so has made it harder and more expensive to heat our homes, and the ensuing energy crisis has increased inflation to levels not seen in recent memory.

Our trade relationships will help secure our energy supply, but it's long-term investment in nuclear, in renewables, and in democratic countries that will reduce our dependence of fossil fuels and keep down consumer costs.

Trade is more than selling each other goods and services. It is also about foreign direct investment. Technological investment creates the jobs of tomorrow. Investments can future-proof the economy if we get it right. More importantly, as we are seeing in the UK, it drives economic growth and keeps communities alive. Communities such as



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Blyth in the northeast of England. Blyth was a coal mining town once in decline. It is now thriving as it becomes one of the UK's most important bases for offshore wind and is driving the clean energy revolution, funded by investors from across the world, including the United States.

Now that the UK has left the European Union and has an independent trade policy, what does this look like in practice? Well, we're using our new freedoms to negotiate new trade deals and upgrade existing ones, deep-

ening our ties with our allies while creating new economic partnerships. We're joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a network of 11 countries spanning from Asia to the Americas that covers half a billion people. We're strengthening our relationships with our partners and allies in the Indo-Pacific, a region that will be responsible for half of global growth in the coming decades. We're thinking about the future. We're in talks on a free trade deal with India, which is going to be the world's third largest economy by 2050. We're acting to protect global supply chains after COVID-19, and the invasion of Ukraine revealed so many vulnerabilities.

And what do we want from the United States? Well, we've made no secret that we want to deepen trade ties through a comprehensive free trade agreement. But the lack of a free trade agreement is no barrier to boosting trade. Our trading relationship with the United States was worth over \$250 billion over the past 12 months. We are each other's number one source of foreign direct investment. More than 1.2 million Americans work for UK companies in the United States, and every day, just under 1.5 million Brits go to work for an American firm. The UK has been nimble and innovative in finding other ways of working with the United States beyond free trade agreements. For instance, we are signing memoranda of understanding on a state level. In May, we signed one on trade and economic cooperation with Indiana, a state that already buys \$1.4 billion worth of UK goods every year. North Carolina followed in July. My team is securing others and looking to sign even more.

I am here to continue deepening our international partnership. Our trading relationship does not build itself; we need to work at it. That doesn't just mean giving speeches about how much we love each other, it also, sometimes, means fixing problems and offering challenge when required. So, I am also raising our concerns about the Inflation Re-

duction Act. We know that this was a strategic step to protect the U.S. economy, and we also know there will be many people in D.C. and across the country who support it. However, it's important that these measures don't conflate long-standing allies and partners, like the UK, with those other countries that might want to damage U.S. interests.

In the Inflation Reduction Act, the substantial new tax credit for electric cars not only bars vehicles made in the UK from the U.S. market, but it also affects vehicles made in the United States by UK manufacturers. The investment and innovation taking place in the United Kingdom should be helping the United States with tomorrow's challenges—U.S. businesses already have over \$500 billion invested in our economy. It's one thing to lock out economic opponents, but it's another thing altogether to damage the investments made by your own companies.

Those same opponents don't hesitate to use strong-arm tactics to create geopolitical divides and to threaten and coerce smaller economies. So, if the United States and the United Kingdom are to future-proof our-

selves and our allies against a changing world, we need to approach trade in a more muscular way.

As world-leading centers for strategic industries, we need to develop trade policies

“
Free markets and free trade make the world a better place, and that is the only purpose to becoming a politician. Nothing else matters.
”

that reflect how global commerce is evolving. And we need to use it to fight even harder for the ideas and values that underpin our democracies and economies. And we must help each other do that. So that means working together to shape the rules that govern

global commerce before those who want to grab control and stifle free trade get there first.

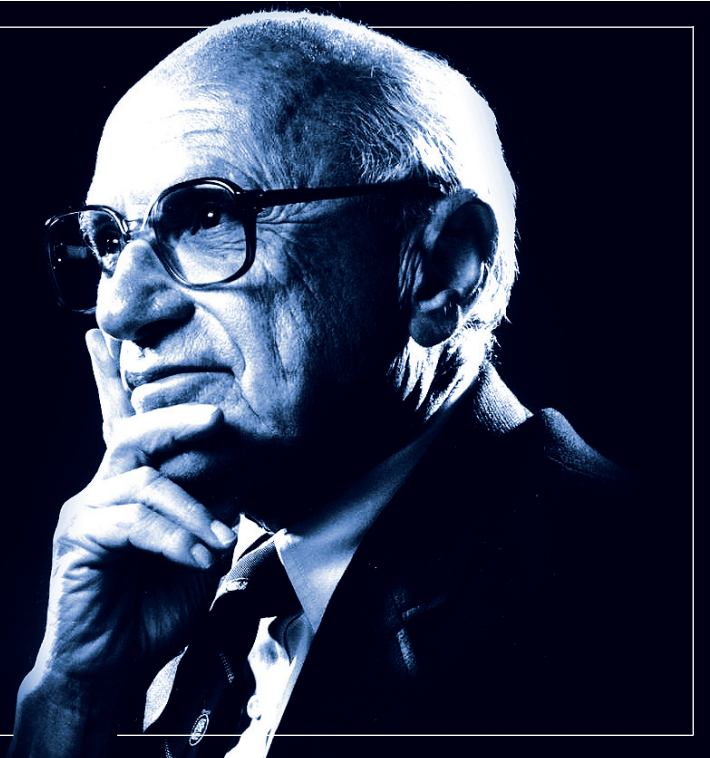
Protecting intellectual property rights is one example. Both of our economies were built on the work of inventors and entrepreneurs. Intellectual property rights drive innovation, incentivize inventors, and protect and reward their ideas. If we conflate the ideas of intellectual property with protectionism, we risk choking off innovation.

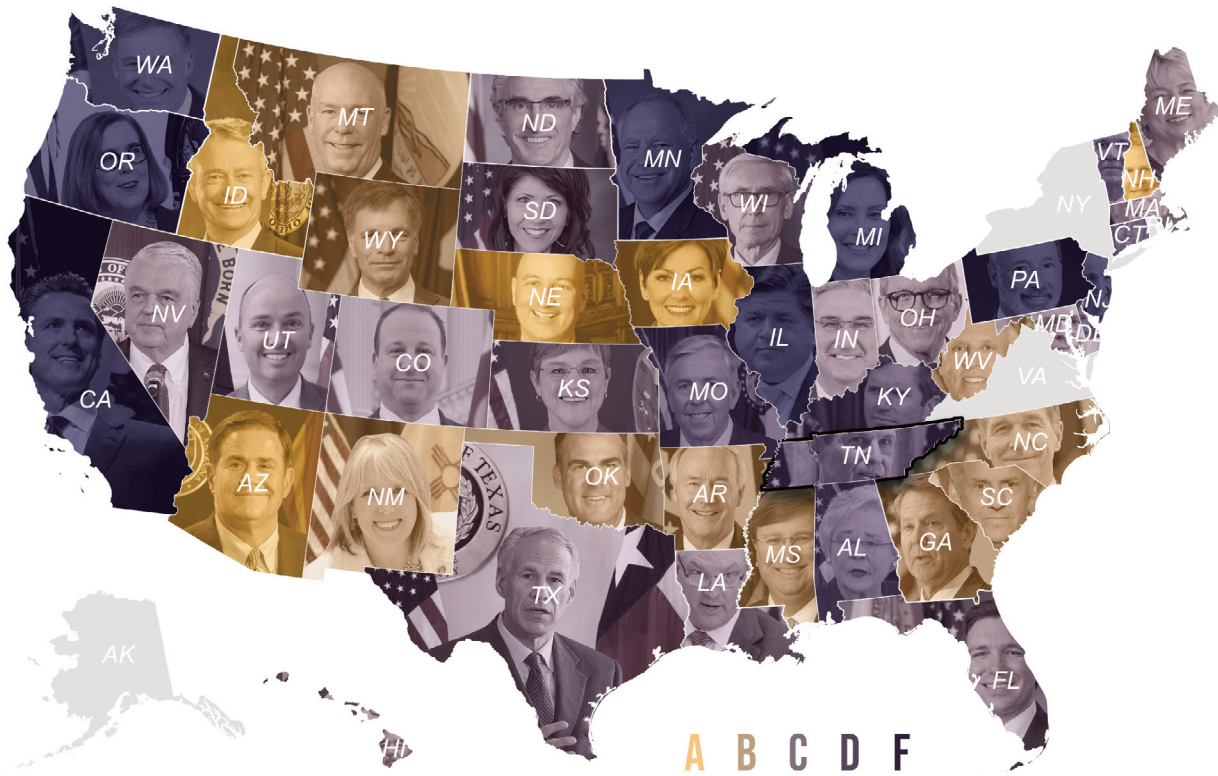
It's important the United Kingdom and the United States work together to champion the multilateral, rules-based system upholding the international intellectual property rights framework. With every trade barrier that falls and every contract that gets signed between businesses, opportunity and prosperity increases around the world. This means democracy flourishes and the case for autocracy diminishes.

There is an exciting future ahead for us both in terms of UK-U.S. trade cooperation. I am thrilled to be part of that, and I look forward to a shared trans-Atlantic future filled with even more friendship, economic cooperation, and mutual success. ■

THE
MILTON
FRIEDMAN
PRIZE FOR
ADVANCING LIBERTY

Thursday, May 18, 2023
National Building Museum
Washington, DC





How Does Your Governor Rank?

Ranking the fiscal policies of America's governors post-pandemic

The 2022 *Fiscal Policy Report Card on America's Governors* received widespread attention from governors proud to be among the top-ranked leaders in Cato's analysis of state tax and spending policies.

The report grades the governors from A to F based on Cato's analysis of their fiscal records since 2020. This year, Iowa governor Kim Reynolds gained the highest score for keeping a tight clamp on state spending and signing into law major income tax reforms.

Along with Governor Reynolds, Chris Sununu of New Hampshire, Pete Ricketts of Nebraska, Brad Little of Idaho, and Doug Ducey of Arizona rounded out the list of governors who earned an A grade for their 2020–2022 tax and spending policies. Governors who received an A cut taxes and spending the most, whereas governors who received an F increased taxes and spending the most. Tim Walz of Minnesota, Tom Wolf of Pennsylvania, J. B. Pritzker of Illinois, Gretchen Whitmer of Michigan, Phil Murphy of New Jersey, Kate Brown of Oregon, Gavin Newsom of California, and Jay Inslee of Washington all received an F.

Reynolds has been a lean budgeter since entering office in 2017. In 2021, she abolished Iowa's inheritance tax, and last year she approved a tax overhaul that simplified and lowered Iowa's individual income tax structure. Iowa is on track to convert its income tax to a 3.9 percent flat tax by 2026.

The report's evaluations have been proudly touted by governors who scored well, including Reynolds during the Iowa press debate

on PBS and Arizona governor Doug Ducey on *Kudlow*. Ducey also shared his grade on Twitter saying, "Eight years of fiscally responsible decisions have paid off! Arizona earned a top score in @CatoInstitute's much-anticipated fiscal policy report card."

Governor Inslee of Washington received an F in Cato fiscal reports in 2014, 2016, 2018, and 2020, and he received the lowest score in the nation in 2022. He has a long record of tax and spending increases. When Inslee originally ran for the governor's office, he promised not to raise taxes, but in his first budget, he proposed more than \$1 billion in hikes. Since then, he has proposed or approved new and increased taxes on energy, capital gains, tobacco, businesses, real estate transactions, and online sales.

Among those who fell in the middle are Colorado Governor Jared Polis and Florida Governor Ron DeSantis, who both earned a C.

Prepared by Chris Edwards, who occupies the Kilts Family Chair in Fiscal Studies, and research associate Ilana Blumsack, the report is a useful resource for people concerned about high taxes and spending, especially when considering an interstate move or one's vote. The report also features an interactive map of the states for smooth access to governors' highlights.

Edwards has promoted the report widely in the media, including on Fox Business's *Kudlow*, using these opportunities to stress that federal Republicans should look to their state-level counterparts for inspiration if they want to restrain and cut government. Dozens of journalists across the country have cited the 2022 report. ■



New Challenges to the Free Economy (from Left and Right)

How progressivism and national conservatism threaten the free economy

Cato's conference "New Challenges to the Free Economy (from Left and Right)" fittingly enough drew online attacks from left and right. Both economic leftists and "national conservatives" on Twitter slammed the pro-trade, anti-industrial policy arguments made at the conference.

The October event brought together leading economists and policymakers from across the political spectrum to discuss the ascendant political threats of progressivism and national conservatism to the free economy.

Panels exploring topics as diverse as antitrust populism, protectionism, business politicization, and regulation featured researchers, economists, professors, and policy experts from Harvard Business School, George Mason University, the Mercatus Center, and the Cato Institute, among others. The lineup of esteemed guests from liberal, conservative, and libertarian perspectives was assembled by Cato's Ryan Bourne, the R. Evan Scharf Chair for the Public Understanding of Economics.

The first keynote address was given by Jason Furman of Harvard University. Furman, chairman of President Barack Obama's Council of Economic Advisers, criticized what he saw as mistakes made by both liberals and conservatives in economic analysis. Liberals, he said, often believe that the policies they see as beneficial will automatically lead to other desirable outcomes, or have no downsides. Conservatives, he charged, misjudge the magnitude of a proposed policy, such as assuming the economic benefits of a tax cut will be so strong that it will no doubt pay for itself. He argued for a more disciplined practice—for all—of thinking through cost-benefit analyses and unintended consequences.

Douglas Holtz-Eakin, former director of the Congressional Budget Office, warned about the dangers of a national conservatism that is plagued by cronyism and has no legitimate set of values and encouraged allowing markets to determine what succeeds and fails, rather than trying to dictate behavior. ■

A LIVELY Q&A FOLLOWED EACH PANEL AND SPEECH, AND VIDEO OF THE EVENT IS AT WWW.CATO.ORG/EVENTS.



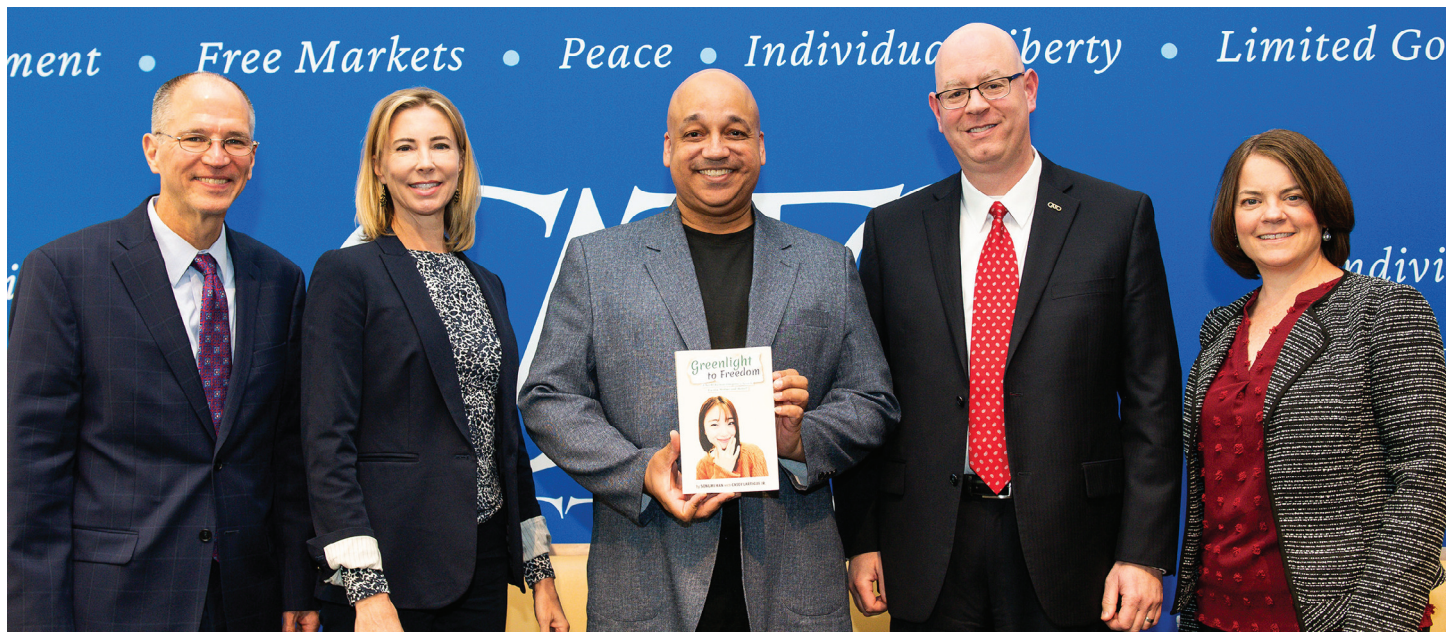
Cato senior fellow **DR. JEFFREY A. SINGER** speaks at the annual meeting of the Association of American Physicians and Surgeons about the harms caused by opioid prohibition and what can be done about it at the state level.



ADAM KOVACEVICH, CEO of Chamber of Progress, speaks at the Cato event “How Does Government Jawboning Threaten Speech?” Jawboning refers to how government officials use informal pressure to suppress disfavored speech on social media platforms.



JOHN MCWHORTER, associate professor of linguistics at Columbia University and author, speaks on polarization, free speech, and modernity at a luncheon conference for Cato Sponsors in New York City.



An event celebrating the 20th anniversary of Cato’s Center for Education Freedom (CEF) brought together current and former Cato scholars, including (from left) former senior fellow **TODD ZYWICKI**; former director of education and child policy at Cato **DARCY OLSEN**, now the founder and CEO, Center for the Rights of Abused Children; former policy analyst **CASEY J. LARTIGUE JR.**; CEF director **NEAL MCCLUSKEY**; and policy analyst **COLLEEN HRONCICH**.

OCTOBER 6: New Challenges to the Free Economy

OCTOBER 17: Domestic Extremism and Political Violence: The Threat to Liberty

OCTOBER 18: Assessing Two Decades of Education Reform: Cato’s Center for Educational Freedom Turns 20

OCTOBER 25: Cato Institute Policy Perspectives 2022

OCTOBER 26: How Does Government Jawboning Threaten Speech?

OCTOBER 27: Can Prescribing Psychologists Help Solve the National Mental Health Crisis?

NOVEMBER 14: Remarks by the Right Honourable Kemi Badenoch MP

NOVEMBER 17: The Rise of ESG and the Future of Financial Regulation

NOVEMBER 30: *Freedom’s Furies: How Isabel Paterson, Rose Wilder Lane, and Ayn Rand Found Liberty in an Age of Darkness*

AUDIO AND VIDEO FOR MOST CATO EVENTS CAN BE FOUND ON THE CATO INSTITUTE WEBSITE AT CATO.ORG/EVENTS.

Cato Calendar

CATO INSTITUTE POLICY PERSPECTIVES 2023

Naples, Florida
Naples Grande Beach Resort
February 13, 2023

CATO INSTITUTE LUNCHEON 2023

Dallas, Texas • Old Parkland
March 24, 2023

MILTON FRIEDMAN PRIZE PRESENTATION DINNER

Washington
National Building Museum
May 18, 2023

32ND BENEFACTOR SUMMIT

Washington • Cato Institute
May 19–21, 2023

SPHERE SUMMIT: THE FOUNDATIONS OF CIVIC CULTURE

Washington • Cato Institute
July 9–13, 2023

SPHERE SUMMIT: INCORPORATING CIVIC CULTURE INTO ADVANCED STUDIES

Washington • Cato Institute
July 23–27, 2023

Updated information on Cato Institute events can be found at [Cato.org/events](https://www.cato.org/events).

A Policymakers' Guide to Helping Workers

Market-oriented policies for today's workers

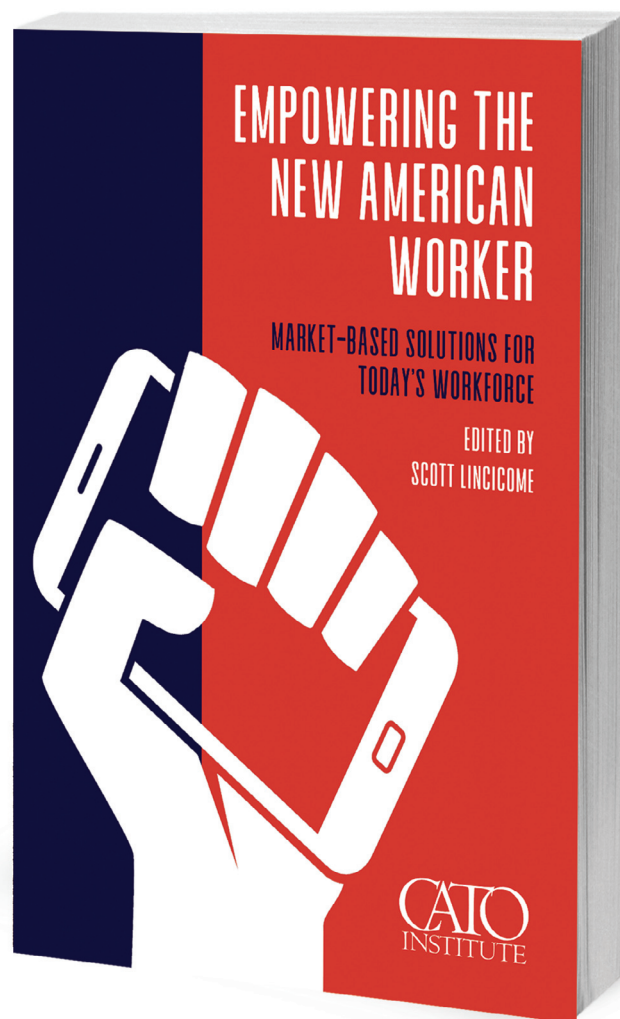
In 2020, President Donald Trump issued a “Pledge to America’s Workers.” President Biden has embraced similar rhetoric, such as his “worker centric” trade policy and “Buy America” rules. Almost everywhere you go you can find a politician lamenting the supposed plight of today’s American worker and promising to fix it. However, the most common “pro-worker” policies today—heavy on government intervention in labor, trade, or other markets—suffer from critical flaws.

The new Cato book for policymakers, *Empowering the New American Worker*, lays out recent trends in manufacturing, remote work, independent work, globalization, and other areas that argue for thinking differently about today’s American worker. Instead of promoting a certain kind of job, promising cradle-to-grave protection from disruption, or presuming that the employment and lifestyle trends of today will last beyond tomorrow, policymakers should seek to maximize Americans’ autonomy, mobility, and living standards. This book identifies what Cato Institute scholars believe to be the most important market-oriented policies to achieve these objectives, on issues like education, labor regulation, licensing, housing, health care, childcare, criminal justice, and consumer necessities.

Each chapter identifies the problems facing American workers and suggests pro-market ways for federal, state, and local officials to better address these challenges.

Contrary to popular arguments, most Americans engage in independent work because they prefer the arrangement over traditional employment, not because they’re forced into it by greedy business owners. This preference is driven primarily by the flexibility and control—over schedule, location, clients, public affiliations—that a conventional employee usually lacks. One 2021 study found that nearly half of all independent workers are unable to work a traditional 9–5 job for varying reasons, and a separate survey found that 70 percent of independent workers cited flexibility as their major reason for going into freelance work.

However, it is not only workers seeking more flexibility who benefit from this new way of working. Business owners and consumers also gain from independent work arrangements. Ridesharing services have reduced drunk driving; food delivery services helped restaurants weather pandemic lockdowns; and new platforms such as Bite Ninja have helped restaurants navigate labor shortages by having gig workers run drive-through windows from home.



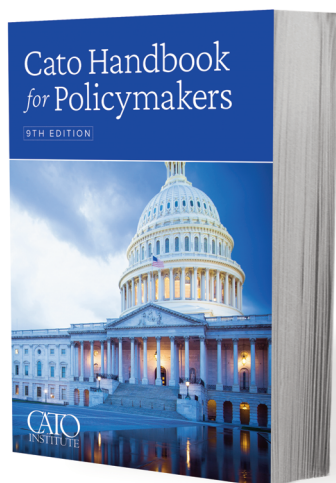
Despite these benefits and Americans’ clear preferences for independent work, various laws and regulatory proposals seek to significantly curtail the arrangement. Certain state and federal regulations would force hundreds of now-independent occupations to be reclassified as employees, regardless of workers’ and employers’ own contracting decisions. This could impose significant economic harms—including for the very workers the proposed rule is supposedly protecting.

Empowering the New American Worker lays out smarter policies that will give individuals the freedom and resources they need to be the worker they want to be—not the one many policymakers think they should be—and to be happier and more prosperous in the process. ■

Freedom, inequality, and everything else

New Books Take on Big Issues

Cato Handbook for Policymakers



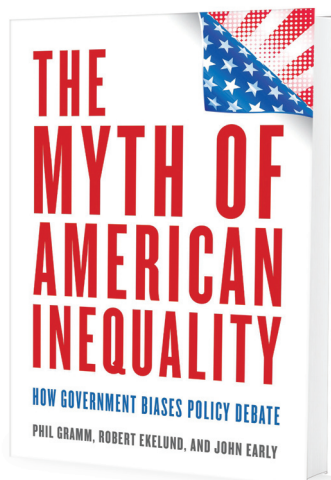
The 9th Edition of the *Cato Handbook for Policymakers* offers both in-depth analysis and liberty-based policy recommendations for members of Congress, agency and administration officials, and state policymakers. The *Handbook* has been published periodically since the first edition in 1995. This is the first update to the *Handbook* since 2017.

The *Cato Handbook for Policymakers* sets the stan-

dard in Washington for reducing the power of the federal government and expanding freedom. The 77 chapters—featuring notable policy experts David Boaz, Gene Healy, Clark Neily, Scott Lincicome, Neal McCluskey, Jennifer Schulp, Alex Nowrasteh, Michael F. Cannon, Justin Logan, and others—provide issue-by-issue blueprints for promoting individual liberty, free markets, and peace.

The incoming 118th Congress received the *Cato Handbook for Policymakers* in January 2023.

The Myth of American Inequality: How Government Biases Policy Debate



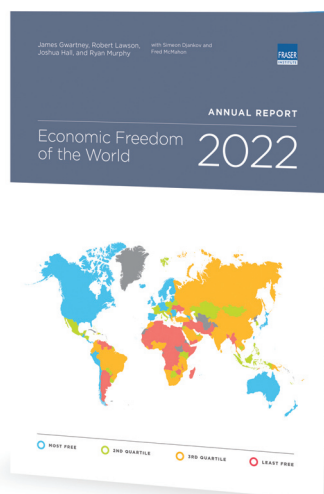
A new provocative book challenges everything you think you know about income inequality, poverty, and other measures of economic well-being in America.

Cato Institute adjunct scholar John F. Early, former senator Phil Gramm, and Auburn University economist

Robert B. Ekelund challenge the prevailing consensus that income inequality is a growing threat to American society. The book shows how government statistics dramatically overstate both income inequality and poverty.

Praised by *Forbes* as “an impeccably researched book,” *The Myth of American Inequality* provides a deep dive into the way government measures economic well-being and “convincingly shows that the gap between top and bottom is not wider than ever, but narrower,” says Jeff Jacoby, in the *Boston Globe*.

26th Edition of *Economic Freedom of the World*



The 26th edition of *Economic Freedom of the World*, a comprehensive ranking of 165 countries and territories by Cato and the Fraser Institute, tracks an overall decline in global economic freedom in the wake of the coronavirus pandemic.

The latest edition ranks global economic freedom in 2020, the latest year for which data are available, finding a decline in 146 out of 165 countries. The overall

decrease was more than three times larger than the decline caused by the 2008 financial crisis.

Hong Kong remains in the top position, though its rating fell an additional 0.28 points. Singapore, once again, comes in second. The next highest-scoring nations are Switzerland, New Zealand, Denmark, Australia, United States, Estonia, Mauritius, and Ireland.

The 10 lowest-rated countries are Democratic Republic of Congo, Algeria, Republic of Congo, Iran, Libya, Argentina, Syria, Zimbabwe, Sudan, and lastly, Venezuela.

The rankings of other large economies in this year’s index are Japan (12th), Canada (14th), United Kingdom (22nd), Germany (25th), Italy (44th), France (54th), Mexico (64th), India (89th), Russia (94th), Brazil (114th), and China (116th). ■

The High Costs of Collective Bargaining

Rent-Seeking through Collective Bargaining: Teachers Unions and Education Production (Research Briefs in Economic Policy no. 305) provides the most direct test of rent-seeking theory as it relates to collective bargaining over teacher compensation and its impact on student achievement. Jason Cook (University of Utah), Stéphane Lavertu (Ohio State University), and Corbin Miller (Office of Tax Analysis, U.S. Department of the Treasury) found that additional revenue did not lead to student achievement gains among districts that allocated these new funds while amid collective bargaining.

CAN WE STOP DRUNK DRIVING?

In 2016, alcohol use was the leading global risk factor for both deaths and disability for those between ages 15 and 49. Scotland introduced a minimum unit price (MUP) on alcohol purchases in 2018, and **Alcohol Price Floors and Externalities: The Case of Fatal Road Crashes** (Research Briefs in Economic Policy no. 306) analyzed the impact of the Scottish MUP on fatal road accidents. Marco Francesconi and Jonathan James did not find that the MUP influenced fatal road crashes or had an impact on drunk-driving accidents. Its success might be realized only with the introduction of other policies.

IMMIGRATION AND ELDERCARE

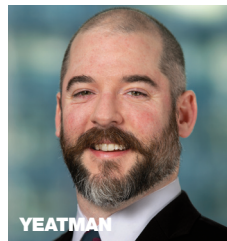
Immigrant Labor and the Institutionalization of the U.S.-Born Elderly (Research Briefs in Economic Policy no. 307) provides evidence that the availability of immigrant labor can reduce the likelihood of elderly individuals being placed in nursing homes or other institutions. The brief by Kristin F. Butcher, Kelsey Moran, and Tara Watson cites research showing that states with

higher levels of immigrant labor have lower rates of institutionalization among the elderly and suggests that this may be due to immigrant caregivers providing informal care to elderly individuals in their homes.

TAXES COST TOO MUCH

Governments around the world are struggling with expanding debt levels and are facing increasing pressure to generate more revenue through tax hikes. However, **Downward Revision of Investment Decisions after Corporate Tax Hikes** (Research Briefs in Economic Policy no. 308) found a clear negative effect of increases in corporate tax rates on investment responses. The brief further shows it would be especially costly if corporate tax rates were increased to stabilize revenues in economically turbulent times.

PRESIDENTIAL POWER



There can be no meaningful limits on executive power if presidents are allowed unfettered discretion to interpret the extent of their own power. William Yeatman, former research fellow at the Cato Institute, shows how recent presidents have been making ever greater use of their interpretive leeway in exercising their regulatory power to achieve their policy agendas in **Reining in the Unreasonable Executive** (Policy Analysis no. 935). No individual should be left at the mercy of unreviewable abuses of discretion backed by the state's power.

GOT MILK?

Safeguarding Consumers through Minimum Quality Standards: Milk Inspections and Urban Mortality, 1880–1910 (Research

Briefs in Economic Policy no. 309) examined the effects of milk inspections in the 1880s and 1890s on two health-related outcomes: infant mortality and mortality from waterborne and foodborne diseases. The study found inspections may have improved health outcomes by reducing the presence of contaminants in the milk supply; however, little support was found for the hypothesis that they reduced infant mortality.

COPS PRACTICING MEDICINE

Why do people with alcohol-use disorder get treatment while heroin users get put in

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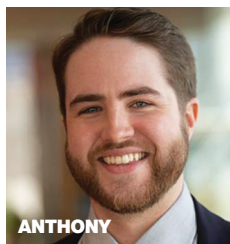
prison? **Cops Practicing Medicine** (White Paper) examines the history of the dehumanization of opioid users and the medical meddling surrounding opioids as drugs that doctors use to treat various ailments. Cato Senior Fellow Jeffrey A. Singer and former research fellow Trevor Burrus recommend that policymakers avoid passing or repealing any laws that cast in stone prescribing guidelines.

RESTORING AMERICANS' FINANCIAL PRIVACY

Nicholas Anthony, policy analyst for the Center for Monetary and Financial Alternatives, says the right to financial privacy is under threat. **The Right to Financial Privacy** (Working Paper no. 69) argues that current laws and regulations do not adequately protect individuals' financial privacy. Anthony suggests that a new framework is required to better balance the need for financial privacy with the need for financial regulation and anti-money laundering efforts.

Restoring Financial Privacy (Study) by Norbert Michel and Jennifer J. Schulp further explains the Bank Secrecy Act (BSA), which requires financial institutions to help federal agencies detect and prevent money laundering and other crimes. This essentially forces private financial companies to act as law enforcement agents. Michel and Schulp determine that Congress should amend the BSA so that financial institutions are no longer forced to act as law enforcement agents.

FEDERAL CRYPTO BRO?

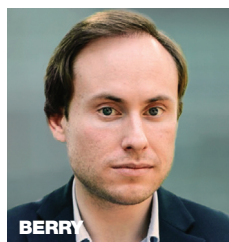


Government officials, in the United States and abroad, are actively working to implement central bank digital currencies (CBDCs) and solidify government control over payments systems. But Nicholas Anthony and Norbert Michel say CBDCs ultimately usurp the pri-

vate sector and endanger Americans' core freedoms. **Central Bank Digital Currency: Assessing the Risks and Dispelling the Myths** (Working Paper no. 70) finds all arguments for a U.S. CBDC fail to stand up to scrutiny. CBDCs have the potential to radically transform the American financial system to the detriment of the American people.

CANCELED!

In August, President Biden announced a plan to cancel \$10,000–\$20,000 in federal



student loans for all borrowers below an income cutoff. **The Illegality of Biden's Debt Cancellation Plan** (Briefing Paper no. 143) by research fellow and managing editor of the *Cato Supreme Court Review*, Thomas Berry, focuses on one question: Is the plan legal? The Department of Justice concluded that student loan forgiveness can be implemented through the HEROES Act. Berry lays out how a careful examination of the act's text reveals no clear congressional intent to authorize such a sweeping plan and if challenged by a plaintiff with standing, the act is likely to fall.

PSYCHIATRISTS VS. PSYCHOLOGISTS

Mental illness is a significant issue in the United States, with nearly one in five Americans living with mental illness. Jeffrey A. Singer's study, **Expand Access to Mental Health Care: Remove Barriers to Psychologists Prescribing Medications** (Briefing Paper no. 142) finds that expanding the scope of practice for competent clinical psychologists to include prescribing could help address the mental health crisis in the United States.

PPP GETS AN F

The primary goal of the Paycheck Protection Program (PPP) was to support small

businesses affected by the COVID-19 pandemic to maintain employment at pre-pandemic levels. **An Evaluation of the Paycheck Protection Program Using Administrative Payroll Microdata** (Research Briefs in Economic Policy no. 310) found that the PPP boosted employment, but these effects faded by the end of 2020. The cost per job retained by the PPP was estimated to be \$258,000 in the baseline scenario, or \$169,000 in a more generous scenario. These high costs per job retained likely reflect the fact that the PPP program was designed to provide maximum flexibility to recipient firms in how they used the funds, rather than targeting the funds to firms with the greatest need or the greatest potential to maintain employment.

ARMY BENEFITS

Army Service in the All-Volunteer Era (Research Briefs in Economic Policy no. 311) finds that enlisting in the army increases average annual earnings by over \$4,000 in the 19 years after application. The study concludes that the army plays a significant role in generating economic opportunity and reducing racial inequality for service members.

CALIFORNIA DREAMING



In the year since the Cato Project on Poverty and Inequality in California released its final report along with 24 recommendations, Michael D. Tanner finds that California has made progress on some issues but made serious missteps as well. As a result, the **One-Year Anniversary Report Card of Cato's Project on Poverty and Inequality** (Study) determines that California continues to fail to lift millions of its citizens out of poverty or to enable every Californian to fully participate in the state's economy. ■

Cato Policy Report

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“To Be Governed...”

THANK YOU, INFLATION!

Seniors are getting the biggest increase in their Social Security checks in 10 years through President Biden’s leadership.

—*White House tweet, November 1, 2022*

A GOVERNMENT THAT ROBS PETER TO PAY PAUL CAN ALWAYS COUNT ON THE SUPPORT OF PAUL

Fifty-nine percent of voters between the ages of 18 and 34 back the [student-loan forgiveness] plan, while 34% are opposed.

—*Wall Street Journal, November 3, 2022*

SECRETARY OF CORPORATE WELFARE

Gina Raimondo, the commerce secretary, . . . is the most important phone call in Washington that many chief executives can make. As the United States embarks on its biggest foray into industrial policy since World War II, Ms. Raimondo has the responsibility of doling out a stunning amount of money to states, research institutions and companies.

—*New York Times, November 26, 2022*

QUITE THE MYSTERY

As the financial world examines why major firms threw hundreds of millions of dollars at the 30-year-old [Sam] Bankman-Fried, the capital is looking anew at his courtship

of Washington and why he sought to build ties with [Roshin] Behnam and the agency he leads, the Commodity Futures Trading Commission.

—*Washington Post, November 28, 2022*

PARIS, THE CITY OF NO LIGHT

Over the past two years, groups of young athletes practicing Parkour—a sport that consists of running, climbing and jumping over urban obstacles—have been swinging around big French cities switching off wasteful shop signs at night, in a bid to fight light pollution and save energy.

—*New York Times, October 13, 2022*

APPARENTLY THE JUSTICE DEPARTMENT HAS TOO MUCH TIME ON ITS HANDS

The Justice Department’s antitrust investigation into professional golf includes the powerhouse bodies Augusta National Golf Club and the United States Golf Association, in addition to the PGA Tour, according to people familiar with the matter.

—*Wall Street Journal, October 26, 2022*

WE’LL HAVE HOVERCRAFT BEFORE THIS TRAIN IS BUILT

When California voters first approved a bond issue for the project in 2008, the rail line was to be completed by 2020, and its

cost seemed astronomical at the time—\$33 billion—but it was still considered worthwhile as an alternative to the state’s endless web of freeways and the carbon emissions generated in one of the nation’s busiest air corridors. . . .

Fourteen years later, construction is now underway on part of a 171-mile “starter” line . . . which has been promised for 2030. But few expect it to make that goal.

Meanwhile, costs have continued to escalate . . . the “final plan” raised the estimate to \$113 billion.

—*New York Times, October 9, 2022*

IS THE PRESIDENT SAYING THAT PEOPLE WHO GET A GOVERNMENT LOAN LOSE THEIR RIGHT TO CRITICIZE THE GOVERNMENT?

You don’t get to accept hundreds of thousands of dollars in pandemic loans and then attack my Administration for helping working folks get some relief.

—*President Biden on Twitter, November 7, 2022*

MASSACHUSETTS VOTERS VOTE TO RAISE TAXES ON OTHER PEOPLE

Question 1 supporters celebrated victory as voters opted to levy an additional income tax on Massachusetts’ highest earners.

—*Boston.com, November 9, 2022*