



Are You Watching PRI's Webinars?

As an alternative to in-person events, PRI has turned to virtual events to bring you the same quality programs right in your own home. Every month, PRI hosts webinars featuring prominent state and national voices discussing freedom-oriented solutions to the major challenges facing California and the nation. Below are highlights of PRI's recent webinars. Register for upcoming webinars at pacificresearch.org/events.



• Will Small Business Thrive in the Biden Administration? Featuring: Andy Puzder, Former Head of CKE Restaurants



How Students Can Overcome Learning Disabilities
 Through Science and School Choice
 Featuring: Lance Izumi, Senior Director of PRI's Center for Education Mia Giordano, co-author of A Kite in a Hurricane No More
 Christine Zanello, PRI board member and Mia's mom
 Barbara Arrowsmith-Young, founder of the Arrowsmith Program



 The War on Cops Continues
 Featuring: Heather Mac Donald, Thomas W. Smith Fellow at the Manhattan Institute and City Journal contributing editor



Democracy Under Lockdown: Civil Society's Response to COVID-19
 Featuring: Dr. Les Lenkowsky, Indiana University professor



• What Lies Ahead: Policy Implications from the 2020 Election Featuring: Economist Stephen Moore



Data Privacy and Cyber Security: 2020 Winners and Losers
 Featuring: PRI Senior Fellow Bartlett Cleland
 Dan Caprio, The Providence Group
 Jim Halpert, DLA Piper
 Steve DelBianco, NetChoice

Listen to webinar replays on PRI's "Next Round" podcast (available at Apple, Google, Spotify, iHeart, and other major podcast platforms) or watch videos on PRI's YouTube Page (www.youtube.com/PacificResearch1)

Dear Friends and Supporters,

he dawn of the Biden-Harris
Administration has ushered in
a new, progressive era. All who
believe in freedom, opportunity, and limited government are
concerned about the administration's plans for new government
programs and its opposition to

pro-growth, market-driven solutions to our nation's challenges.

For Californians, the Biden Administration is like a bad rerun. The Administration's new guiding model is that of California. But, we've "been there, done that" on many policies the new President is embracing.

Under new executive orders, the Biden Administration is setting up a special enrollment period on HealthCare.gov, and increasing the subsidies paid for health care coverage. They are also proposing job-killing government energy policies that will drive up energy costs for the working class.

This edition of *Impact* shows how we can push back against these regressive, far-left policies and work to ensure the continued economic prosperity of our great state and our nation.

Despite a tumultuous election and devastating pandemic, PRI achieved several California policy victories in 2020. On Pages 4 and 5, read about PRI's hard-fought wins to preserve worker freedom and protect Proposition 13. We are proud of the work of Lance Izumi, senior director of PRI's Center for Education, and the Hon. Lawrence Siskind, PRI board member, in helping to educate voters on Prop. 16, which would have restored gender and racial preferences in contracting and higher education.

On Pages 6–8, read about our virtual "California Ideas in Action" conference, where elected officials, policy insiders, and PRI scholars explored how to achieve consensus on freedom-oriented policy solutions.

- Read about Lance Izumi's new brief on the new and emerging threats facing charter schools and what parents and advocates can do to preserve school choice options for every child (Pages 9–11).
- Read my piece on how Xavier Becerra,
 President Biden's choice for Secretary of
 Health and Human Services, is poised to
 lead America toward single-payer health
 care (Pages 14-15).
- PRI Senior Fellow in Business and Economics Dr. Wayne Winegarden explores how the \$1.9 trillion Biden stimulus plan will harm our nation's long-term economic growth prospects (Pages 19–20).

Finally, preview PRI's new book *No Way Home*, which was just published by Encounter Books. The book explores California's homeless crisis and solutions to get people back on their feet with humanity (Pages 21–22).

You and I have our work cut out for us to protect the freedoms we cherish. That's why your continued support of PRI is more important than ever before. Working together, we will ensure that liberty is defended, cultivated, and advanced through policy for generations to come.



Sincerely,

Sally C. Pipes President, CEO, and Thomas W. Smith Fellow in Health Care Policy Pacific Research Institute

PRI Achieves Major Policy Victories in Challenging, Turbulent Year

By Ben Smithwick Originally published in *Right by the Bay* 2020 was a challenging year for our nation – and a particularly turbulent time in PRI's home state of California.

The year ushered in weeks of rioting and protesting, devastating wildfires, pandemic restrictions and draconian lockdowns, a worsening homelessness crisis, and unaccountable social services. We saw a continued exodus out of the state by individuals and businesses of all stripes who are fed up with Sacramento. And state leaders just cast about for people to blame, even as they doubled down on crippling new regulations on businesses and social engineering policies.

Some wonder if the sun of opportunity and prosperity is setting on California for good. I don't think so. I still have tremendous hope that we can reclaim the American Dream.

PRI was instrumental in educating voters on key issues that appeared on the November ballot in the Golden State. As a result of our efforts, we saw voters preserve liberty and economic opportunity at the ballot box. They upheld worker freedom by passing Proposition 22, defended equal opportunity by rejecting Proposition 16, and blocked Prop. 15, which would have created a split-roll property tax scheme that would discourage business investment.

At the national level, our scholars were influential in promoting policies designed to stimulate economic growth, promote individual freedom and choice, and encourage competition in health care, education, and the economy. Our newly-established Center for Medical Economics and Innovation was ahead of the curve in sounding the alarm over a rigid regulatory environment that hampered our nation's response to COVID-19.

PRI's communications team ensured that our message was delivered to a wide and influential audience through aggressive marketing campaigns; social media outreach; virtual events; and media commentary, including op-eds, radio, and television interviews.

As the year drew to a close, PRI launched "Reclaiming the American Dream" – a fundraising campaign to propel PRI's efforts in 2021 to advance workable, market-driven policy solutions in California and across the nation. Thanks to the generosity of our donors, we entered the year in a strong financial position, prepared to preempt and combat the effects of bad policy and to promote sound governance.

My colleagues and I firmly believe there's a new dawn of freedom and opportunity on the horizon for our state. We are grateful to all of our supporters for their investment in our mission.

2020 HIGHLIGHTS

Nearly

2,000

online and print media citations of PRI's work

Over
1.5 million
hits to pacific research.org

840 op-eds
by PRI scholars published
in media outlets nationwide

More than
200
radio and television
interviews by PRI scholars

Nearly two dozen

online and in-person events in a time of global pandemic

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PRI's Annual Conference Explores How to Advance Market-Based Solutions in Biden-Harris Era

By Tim Anaya

PRI's third annual "California Ideas in Action" conference was held in early February amid great uncertainty, as the COVID-19 pandemic continued to rage while the new Biden-Harris Administration in Washington began to immediately roll back free-market policy advancements of the past four years.

A diverse lineup of speakers discussed market-based policy reforms that – despite the current political dynamic - could bring both parties together around solutions benefitting all Americans.

Kicking off the conference, the Hon. Dan Kolkey, PRI board member and California reform committee chair, cited the late Milton Friedman, who said, "One of the great mistakes is to judge policies and programs by their intentions rather than their results." "And free markets," Kolkey said, "are all about achieving results."

PRI's health care all-star team – Sally Pipes, Dr. Wayne Winegarden, and Dr. Henry Miller – explored the policy and regulatory lessons learned during COVID-19. Pipes noted the difficulties that Democrats will have enacting a single-payer health care plan or President Biden's "public option" plan in a 50-50 Senate.

However, she said, "there are many, many things that the Democrats can do to turn Obamacare into Bidencare and they're going to command huge taxpayer dollars," such as more generous subsidies for coverage on health care exchanges and creating a special Obamacare enrollment period.

PRI fellows Kerry Jackson and Wayne Winegarden, two of the four co-authors of *No Way Home: The Crisis of Homelessness and How to Fix It with Intelligence and Humanity* (published by Encounter Books), discussed their book on California's homeless crisis.



Congresswoman Young Kim, R-La Habra, discusses how to bring Democrats and Republicans together around market-based policy solutions



(clockwise) PRI's Lance Izumi; Assemblyman Kevin Kiley, R-Rocklin; Norman Gonzales of John Adams Academy; and Cameron Curry of Classical Academies discuss the new and emerging threats facing charter schools

Winegarden noted that despite the different lenses from which each author approached the book, "one of the common themes we had was this willingness to ask the really tough questions and also to start with the hypothesis that government policies are what's driving where we are at today."

Lance Izumi moderated a panel discussion based on his recent PRI Issue Brief highlighting the recent attacks on the operation and expansion of charter schools. Panelists offered ideas for how parents and advocates can push back against expected attacks on charter schools from the Biden Administration.

"For there to be any future success and life for charter schools, we must alter the funding process and put dollars in the hands of parents in the form of education spending accounts," said Norman Gonzales of John Adams Academy. "By providing the resources directly to every parent . . . you open up the entire education marketplace to children by making all options financially viable."

Economists and policy insiders reviewed state and federal efforts to turn the economy around, keep businesses afloat, and help people stay employed.

When asked what he would tell Gov. Newsom, California Manufacturers and Technology Association president Lance Hastings said he should, "make a proactive statement that manufacturing is critical for the state of California and that California is open for business for manufacturers . . . making it an attractive opportunity for investment."



Lance Hastings of California Manufacturers and Technology Association



Sally Pipes, Dr. Wayne Winegarden, and Dr. Henry Miller discuss the health care lessons learned during the COVID-19 crisis



Former California State Assembly Minority Leader Connie Conway



Congressman Lou Correa, D-Santa Ana



Hon. Dan Kolkey, PRI board member and California Reform committee chair

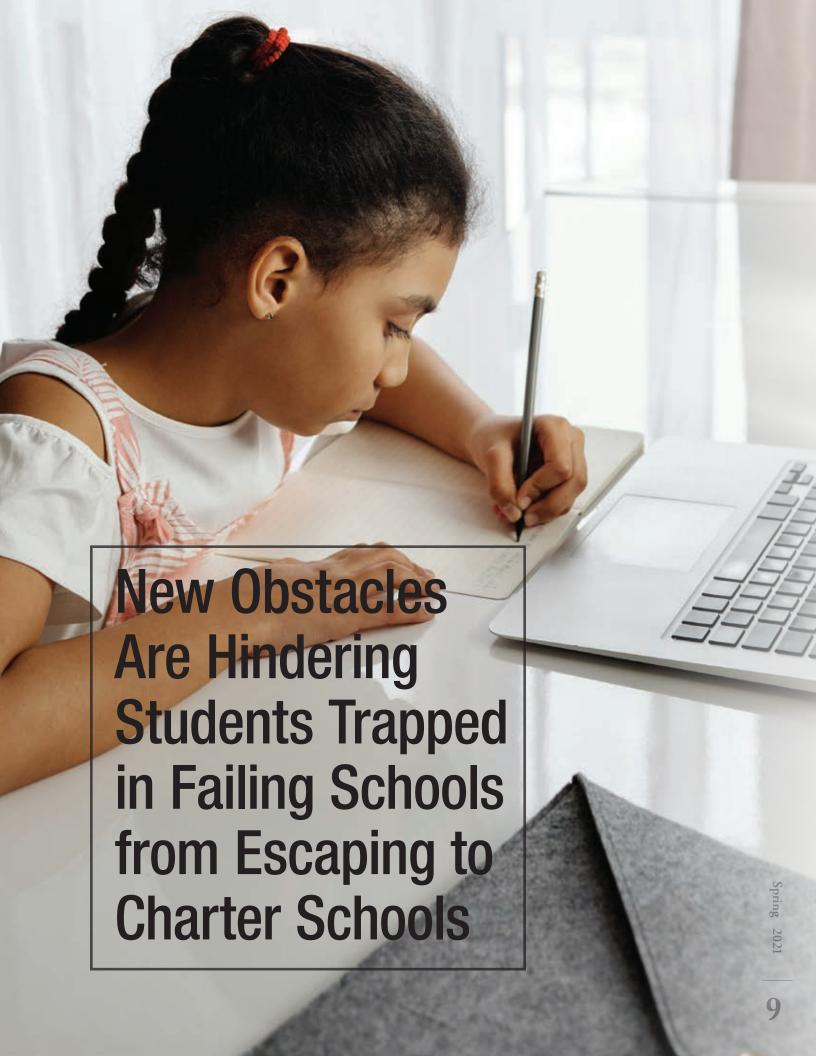
To watch the videos from PRI's 2021 California Ideas in Action Conference, visit https://www.pacificresearch.org/sacramentoconference2021/

Steven Greenhut, author of the recent PRI book *Winning the Water Wars*, led a panel of experts discussing how the Biden Administration might shift California water policy in the coming years.

Former Assembly Republican Leader Connie Conway, who most recently served as director of the federal Farm Service Agency in California, said that, "promoting abundance, rather than managing scarcity really hits home for me because that's what we were doing during the conversations on the (2014) water bond. We were micromanaging leftover water, instead of talking about the source and what we needed and what we had and could do."

Newly-elected Congresswoman Young Kim (R-CA) gave the conference keynote presentation. Speaking from her office at the U.S. Capitol in Washington, Congresswoman Kim noted that she had recently been appointed to serve as Ranking Member on the subcommittee on Innovation, Entrepreneurship and Workforce Development. She spoke of the importance of working across party lines to solve problems, citing international trade as an area for potential common ground.

"I think we have a good opportunity to increase international trade with our allies and economic partners by eliminating barriers of entry for U.S. goods and products," she said.



new brief released by PRI's Center for Education documents how political interests, teachers unions, and legislators are thwarting new and existing charter schools. The brief argues that parents and students must use every available tool to fight back.

"Research shows that charter schools are improving student achievement more than traditional schools," said Lance Izumi, senior director of PRI's Center for Education. "Unfortunately, charter schools are under attack. Recent successes by opponents would trap students in failing schools – and prevent their escape to alternatives that will better prepare them for the future."



In *New and Emerging Obstacles Facing Charter Schools*, Izumi cites recent Harvard University research showing that African American charter school students are gaining a half-year of learning in math and by twice the amount in reading versus students attending traditional schools.

He also cites University of Washington, Bothell research showing charter schools have better transitioned to virtual learning during the COVID-19 pandemic than traditional schools, noting better teacher interaction with students and technology availability.

Among the threats he cites to charter schools are:

- Laws in 21 states capping the number of charter schools, effectively limiting expansion;
- Efforts in California and Michigan to deny charter schools equal funding with traditional schools, citing local and state COVID-19 fiscal crises; and
- Action to hinder the growth of virtual, online charter schools, denying an important education alternative during the COVID-19 pandemic.

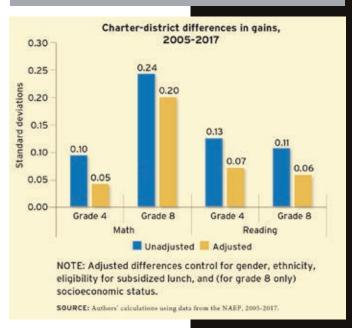
Download the brief at www.pacificresearch.org

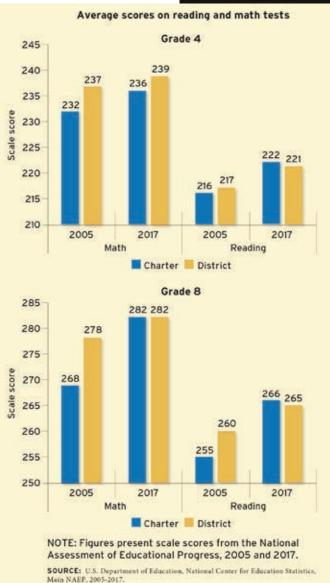
Izumi cites a political shift in California, a state previously known for relatively strong charter school laws under former Gov. Jerry Brown, a charter school supporter. Legislation signed in 2019 by Gov. Gavin Newsom weakens these laws by giving school districts more loopholes to deny charter petitions on fiscal grounds. However, recent University of Washington, Bothell research shows that charters do not increase the likelihood of schools entering fiscal distress.

He argues the strategies and tactics of teachers unions are among the biggest obstacles for charter schools to overcome. For example, teachers unions in Oakland, Los Angeles, Chicago, and elsewhere have called strikes and used contract negotiations to push for new charter school moratoriums and restrictions on charter school flexibility such as expanding charter school teacher unionization.

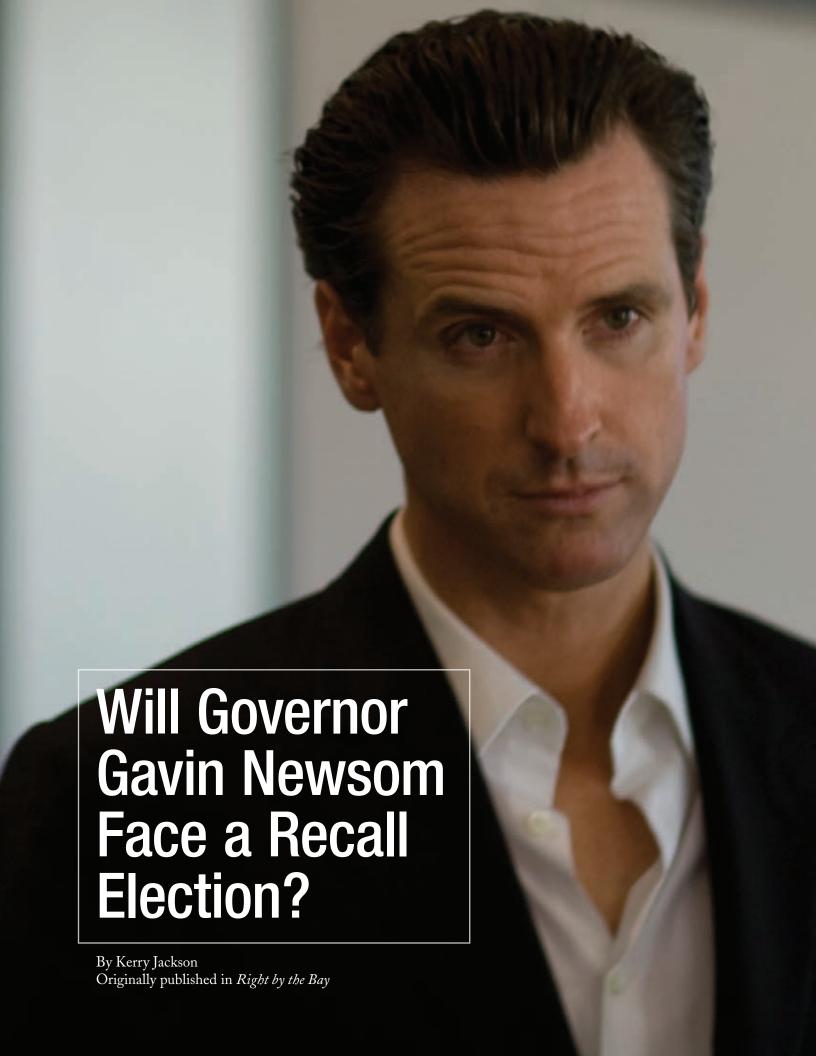
To overcome these hurdles, Izumi recommends that charter school supporters urge state lawmakers enact reforms that mirror the best, most thoughtfully-crafted laws in other states. Where politicians are hostile to charter schools, he says litigation could be an effective strategy. Citing recent successful lawsuits in Mississippi and Washington state, Izumi notes that charter school proponents have a strong recent track record of prevailing in court.

How Charter Schools Stack Up Against Traditional Public Schools





Source: M. Danish Shakeel and Paul E. Peterson, "Charter Schools Show Steeper Upward Trend in Student Achievement Than District Schools," Education Next, Vol. 21, No. 1, Winter 2021





hen voters replaced Democrat Gray Davis with Republican Arnold Schwarzenegger as governor in 2003, it was the first time in the state's 153year history (at that point) it

had recalled a governor. A growing exasperation with the current occupant of the office suggests Californians might not wait that long before they try again.

Democratic Gov. Gavin Newsom, elected in 2018 with 62% of the vote, appears to be in trouble. Several recall efforts have failed, but one is still active, and it has until March 17 to collect the 1,495,709 signatures needed before a recall election can be placed on the ballot. Proponents announced on March 7 that they have collected 1.95 million signatures to date, pending verification by elections officials.

Newsom's and Davis' circumstances are not that different. PRI's Tim Anaya, who has worked in a governor's office – he was a speechwriter for Schwarzenegger – says "there are quite a lot of similarities between the two."

"Both Newsom and Davis inherited rosy state budgets with large surpluses amid an era of economic prosperity and roaring tax revenues being generated for the state." Then, "almost overnight, each experienced a severe economic downturn that turned surpluses into massive deficits in the blink of an eye."

Newsom and Davis also stumbled into unusual and unexpected – though this is arguable – political thickets. Among other troubles, Davis was overcome by a solvable energy crisis he declined to correct. Newsom has the coronavirus pandemic, his own energy problems and wildfires pulling him down. Davis' responses did not inspire confidence among voters. Neither has the behavior of Newsom, who fueled recall fever with his visit to the French Laundry, where he attended an indoor birthday party with an unmasked group while nagging everyday Californians to stay home until, well, whenever he says it's OK to go out again.

Despite the similarities, it seems unlikely history will repeat itself, with Newsom being replaced with a Republican as Davis was. As blue as California was in 2003, it's even bluer in 2021. Only the wildest imagination could visualize a Democratic governor

being turned out of office for a Republican. It's almost inconceivable that voters in California, where Democratic Party registrations outnumber GOP registrations by 22 percentage points, would send a Republican to the governor's mansion.

Put another way, by Hoover Institution fellow Bill Whalen, "a successful recall effort is like a three-legged stool – it requires an unpopular governor, unpopular policies, and, finally, a popular alternative. In present-day California, it's that last leg that's missing: a credible replacement for Newsom." Should the long shot materialize, though, expect arguments to emerge that the GOP has returned as a relevant political party in California.

But maybe the more material point would be what a Newsom loss would mean for the Democratic Party in California. Former Republican congressman Tom Campbell recently wrote in the *Orange County Register* that Republicans "shouldn't pretend" the GOP is resurgent in California just because three Republicans took Democrats' congressional seats in the 2020 election. He's probably right. Even if Democrats lost ground due to the rough politics of a recall election, the GOP isn't necessarily in line to make gains.

Nearly 30% of Californians have no party preference by registration or are identified as "other" by the secretary of state's office. Merely getting a recall on the ballot is likely to have some impact on that 30%. They might not suddenly become registered Republicans, or even vote GOP. But after a bruising recall campaign and all the damage done, they could stay at home in future elections, dissatisfied by Democrats, uninspired by Republicans. A significant portion of the 46% registered as Democrats might even be turned off as they learn more about Newsom's conduct and policy missteps, which would be magnified by a recall election.

No matter how it all turns out, it's safe to say Newsom's presidential aspirations will have been severely injured if not buried. A California politician who has lost the confidence of so many of his constituents would have little chance with voters in the rest of the country, despite how smooth he appears on screen.

Kerry Jackson is a fellow with the Center for California Reform at the Pacific Research Institute. California Attorne

ove over, Bidencare. Singlepayer health care could be coming to the United States.

President Joe Biden's choice to lead the Department of Health and Human Services,

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California Attorney General Xavier Becerra, is a longtime supporter of Medicare for All. He'll have the power to approve waivers that would allow states to implement government-run, single-payer health care within their borders.

Those excited about this possibility ought to look at the latest research on wait times in Canada. Importing single-payer into the United States would force American patients to wait for months for low-quality care.

The Affordable Care Act empowers the secretary of Health and Human Services to grant states "innovation waivers" to experiment with new ways

of providing access to care. For years, progressives have been intrigued by the possibility of using these waivers to implement state-level single-payer.

California Gov. Gavin Newsom campaigned on bringing single-payer to the Golden State. But that effort largely fizzled once he took office in 2019, thanks to hostility from the Trump administration, the high cost of single-payer, and the pandemic.

Becerra's nomination has energized California lawmakers, including Canadian-born Assembly member Ash Kalra, D-San Jose, to put single-payer back on the state's agenda.

New York could also send a waiver application Becerra's way. In 2018, the state Assembly passed legislation that would have established single-payer in the Empire State. The bill did not gain traction in the then Republican-controlled state Senate. But a slew of progressive lawmakers elected this fall might breathe new life into the effort.

A new report from the Fraser Institute, a Canadian think tank, should give them pause. In 2020, Canadian patients were collectively waiting for more than 1.2 million procedures, up roughly 15% from 2019.

The median wait for treatment following referral from a general practitioner was 22.6 weeks last year. This is the longest wait on record, up 143% since the Fraser Institute began keeping track in 1993.

In some parts of the country, the median wait exceeded 40 weeks. Orthopaedic surgery, ophthalmology, plastic surgery, and neurosurgery all have median waits of over 30 weeks.

Long waits understandably lead to worse health outcomes. For example, patients who delay cataract surgery more than 6 months experience increased vision loss, lower quality of life, and have more falls than those who don't have to wait.

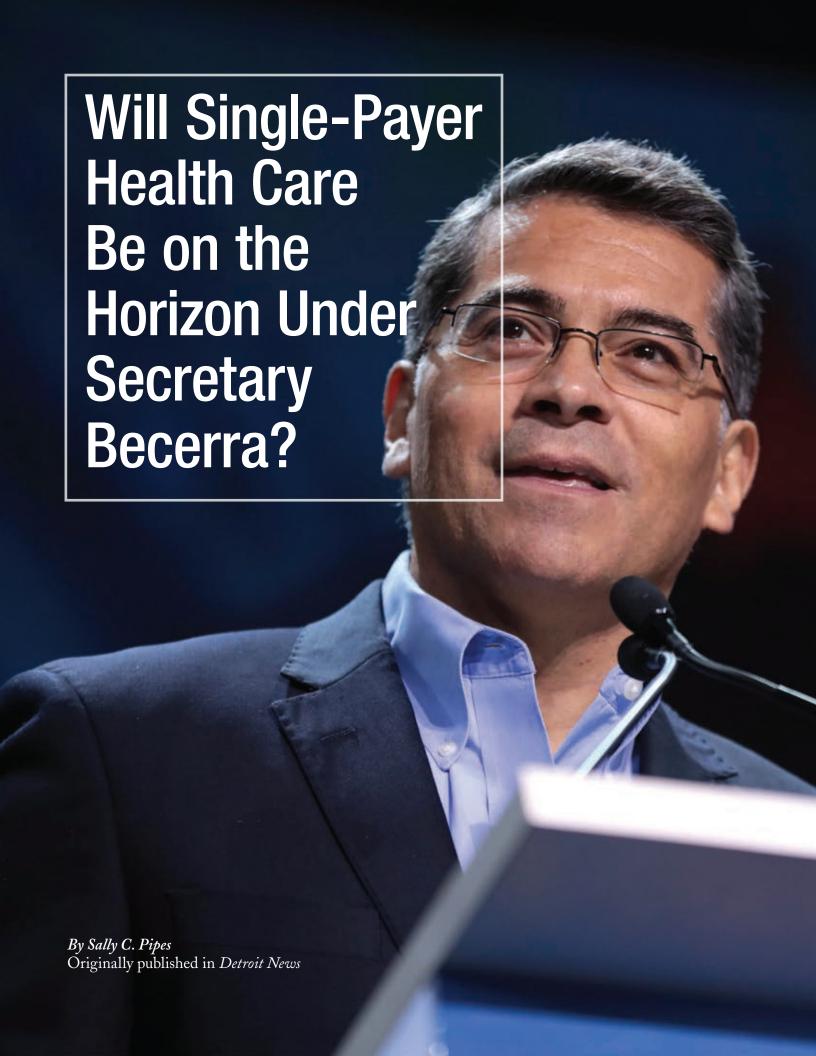
All that time on the shelf is bad for the Canadian economy, too. Fraser estimates that the value

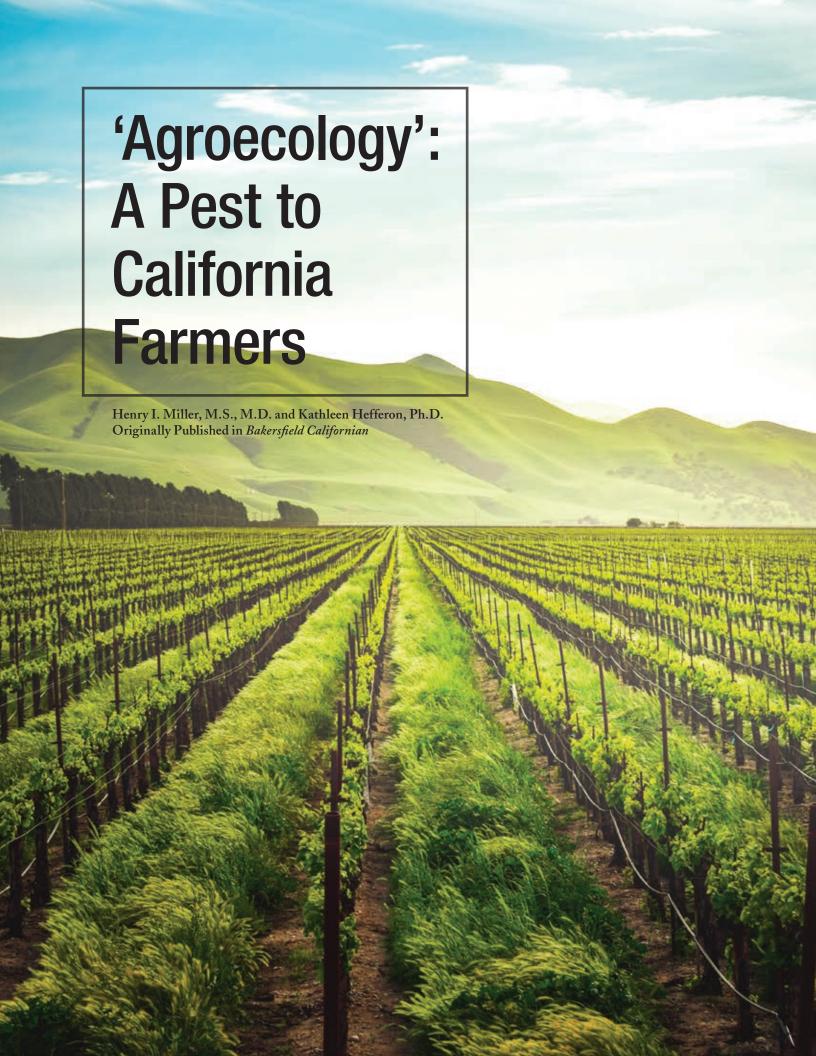
of the time patients spent waiting for care in 2019 was about CA\$2.1 billion. That doesn't consider the value of time outside the normal workday — or the value of caretakers' time, who could be engaged in more productive work.

Joe Biden won the presidency in part by promising to govern as a moderate. By nominating Medicare for All fan Xavier Becerra to lead the Department of Health and Human Services, he's doing just the opposite. Becerra should take a long look at the long waits in Canada before even thinking about green-lighting state-level single-payer in the United States.

Sally C. Pipes is the Pacific Research Institute's president, CEO, and Thomas W. Smith Fellow in Health Care Policy.

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he COVID-19 pandemic continues to ravage our lives through diminished social contact, disrupted commerce and illness and death. One unobvious example has been interruptions in food supply chains, from farmers' markets to large food manufacturers. To respond to crises, agriculture must be as efficient, innovative and resilient as possible.

Even in California, whose agriculture is the world's envy because of huge volume, high yields and sophistication, activists are promoting primitive, or "alternative," practices that would obstruct innovation and resilience. These practices fall under the wastebasket rubric "agroecology." Why a "wastebasket?" The study of agroecology has numerous definitions, many of which are idealistic blather and conjecture, much of which should be discarded.

The term "agroecology" was first used a century ago to describe the integration of agronomy and ecology into a single discipline. The misnamed Scientific Society of Agroecology (SOCLA) transformed the discipline into something "concerned with the maintenance of a productive agriculture that sustains yields and optimizes the use of local resources while minimizing the negative environmental and socio-economic impacts of modern technologies."

But further down in their mission statement, SOCLA stumbles: "In industrial countries, modern agriculture with its yield-maximizing high-input technologies generates environmental and health problems that often do not serve the needs of producers and consumers. In developing countries, in addition to promoting environmental degradation, modern agricultural technologies have bypassed the circumstances and socio-economic needs of large numbers of resource-poor farmers."

In fact, not all industrialized countries' "yield-maximizing" technologies have detrimental environmental or health effects (often, the opposite); nor do they ignore the "circumstances and so-cio-economic needs" of resource-poor farmers. Where agroecology breaks down is in its embrace of organic agricultural practices, which fails the test of rigorous science.

Agroecology programs at University of California campuses illustrate the concept's expansiveness. The Berkeley Food Institute at the University of California Berkeley cites professor Stephen Gliessman, who writes, "agroecology is not only a science and a practice but a movement for social change."

And Berkeley agronomist Dr. Miguel Altieri argues, "agroecology provides the basic ecological principles for the design and management of agroecosystems that are both productive and natural resource conserving...and that are also culturally sensitive, socially just, and economically viable."

The Advancement Project's "Reshaping Kern County's Agricultural Approach to Pesticides and Health" calls for "ending the use of pesticides and introducing alternative methods for managing and developing crops." As if the seemingly simple removal of pesticides wouldn't impact Kern County's economic standing, and more than \$7.4 billion in agriculture production based on the latest numbers, as one of the top agriculture communities in California.

The Center for Agroecology & Sustainable Food Systems at the University of California, Santa Cruz boasts of on-campus "examples of organic soil management, alternative pest control measures, water conservation, and biodiversity on both home garden and commercial scales," touting their work as "flourishing demonstrations of what can be accomplished with organic management techniques."

The problem with emphasizing organic agriculture is that it is fundamentally a hoax, a feel-good but meaningless designation originally created by the federal government as a marketing tool.

The narrow range of permitted practices – which prohibit using state-of-the-art insecticides and herbicides and cultivating plants made with modern genetic engineering techniques – ensures lower yields and poses a hazard both to farmers' financial success and the environment.

Organic agriculture's ban on genetically engineered plants is particularly bizarre, because they are part of a seamless continuum that extends and refines earlier genetic modification techniques.

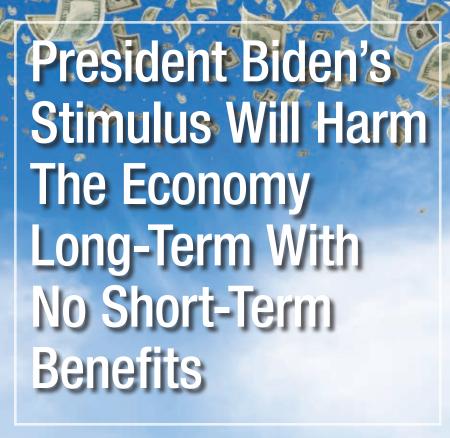
Except for wild berries and mushrooms, virtually all the fruits, vegetables and grains in our diet have been genetically improved. Without genetically engineered (GMO) plants and the incentives for innovation from intellectual property protection and the profit motive, farmers will be stuck with primitive practices indefinitely.

Recent research illustrates how genetic improvements in subsistence crops can mitigate pest infestations. Water stress arising from drought conditions, which currently plague California and the western U.S., can trigger outbreaks of bark beetles, wood borers, and sap feeders such as spider mites. Plants that are bred, including by genetic engineering, to resist drought also enables them to fend off insects.

A recent research article reported that a genetically-engineered cotton variety containing a pesticidal bacterial protein has eradicated an important agricultural pest, the pink bollworm: "The removal of this pest saved farmers in the United States \$192 million from 2014 to 2019. It also eliminated the environmental and safety hazards associated with insecticide sprays that had previously targeted the pink bollworm and facilitated an 82 percent reduction in insecticides used against all cotton pests in Arizona."

For some agroecology activists, social justice means rejecting modern agricultural technologies, although it denies farmers relief from grueling manual labor and makes their harvests less reliable and threatens their livelihoods. Where is the social justice in that?

Henry I. Miller, M.S., M.D. is a senior fellow at the Pacific Research Institute. Kathleen Hefferon, Ph.D., teaches microbiology at Cornell University.



By Dr. Wayne Winegarden
Excerpt of article originally published at Right by the Bay

he argument for an economic stimulus seems persuasive. The economy contracted 3.5 percent in 2020, which is the largest annual decline in the national economy since 1946. The latest employment numbers, which were a disappointment to many, seem to further confirm the urgent need for Congress to immediately pass a large stimulus.

While the data do not lie, interpretation matters. There are strong reasons to believe that the economy will likely experience a strong rebound once the pandemic is

behind us.

First, while the annual economic decline was devastating in 2020, all of the damage occurred in the second quarter (April through June 2020). Since June, the economy has been expanding, and expanded at a 4.0% annual growth rate in the fourth quarter of 2020 . . .

Second, as for employment, yes, the January employment report was disappointing, and job growth was revised downward in November and December. But, the economy still added 49,000 jobs in January, and more important, the three-month average illustrates positive job growth . . .

Third, the federal government has already spent, or allocated, over \$3 trillion toward the crisis, which is the equivalent of 15 percent of the entire \$21.5 trillion U.S. economy. In addition to these expenditures, the Federal Reserve expanded its purchases of government bonds and directly lent money to businesses, which added trillions of dollars to the economy.

All of these programs were unprecedented, and have inflated real disposable personal income. Incomes are now higher today than before the pandemic, and, the savings rate is 13.7 percent. To put this increase in perspective, excluding the jump to an unprecedented 34 percent following the first stimulus checks, households in the U.S. now have the highest savings rate since 1975!

These trends demonstrate that once the economy fully opens up, pent-up demand will cause the economy to

surge, particularly for the social activities like restaurants and entertainment venues that people have been denied for so long . . .

The spending, GDP, employment, and income data indicate that the justifications for an additional \$1.9 trillion economic stimulus are spurious, and President Biden's claim that this spending is "urgent" is simply not true. Not only is a smaller spending package not "inadequate to the task at hand" any additional spending is unnecessary and risky. The additional spending is risky because the U.S. federal debt held by the public is already reaching \$27 trillion, which is more than 127 percent of the size of the U.S. economy...

So, what's the outlook going forward, particularly in the aftermath of Congress approving a fiscally irresponsible \$1.9 trillion spending package? At first, things will likely go well. There will be an initial surge in economic activity because this surge is already set to occur in the second half of 2021 and into 2022 (depending upon the success of the vaccine rollout to control the pandemic).

This surge of activity will also set up the U.S. economy for increased economic volatility that will manifest in higher pressure on interest rates, higher inflation, and growing economic distortions. Making this volatility more problematic, just as the economy is "heating up", President Biden and Congress have indicated that they will push for higher taxes and increased regulation. Adding this policy mix will lead to even more economic dislocations and weaken our long-term growth potential even more.

Righting these trends requires a policy mix of fiscal responsibility and sound money that has been missing in Washington D.C. for far too long. While there is no indication that a better policy mix will be implemented anytime soon, another \$1.9 trillion spending blowout will make things worse, not better.

Wayne Winegarden, Ph.D. is a Sr. Fellow in Business and Economics and the Director of the Center for Medical Economics and Innovation at the Pacific Research Institute.



In 2020, Governor Newsom devoted his entire "State of the State" address to homelessness. Unfortunately, despite the Governor's pledge to solve the crisis, California's homeless problem is worse today than it was a year ago.

Most of the proposals put forward by Gov. Newsom and other state leaders focus on government programs and increased taxpayer spending. As we see on the streets today, these status quo solutions just haven't addressed the problem.

PRI has been a leader in California in promoting a different view, a market-based view of how we can help people off the streets, get them into recovery, and get them on the path to prosperity.

Encounter Books published a new PRI book on California's homeless crisis called *No Way Home* in March. The book is co-authored by four PRI scholars:

- Kerry Jackson, fellow with PRI's Center for California Reform, is the author of past PRI briefs on housing policy and poverty that garnered national attention and bipartisan praise.
- Dr. Wayne Winegarden, PRI senior fellow in business and economics, co-authored with Jackson a brief on San Francisco's housing crisis that was presented to Mayor London Breed's administration.
- Joseph Tartakovsky, PRI adjunct fellow in legal studies, is a practicing attorney who has litigated and lectured on issues of homelessness and constitutional law and advised policymakers in California, Nevada, Oregon, and Washington on framing defensible policies and laws.
- Christopher Rufo, PRI adjunct fellow, is an activist, filmmaker, and policy analyst who covers poverty, homelessness, addiction, crime, and other afflictions.

What makes *No Way Home* such a unique book are the diverse perspectives that the four authors each bring to the publication. All share a common, free-market worldview, but they view the problem of homelessness through very different lenses.

No Way Home examines the root causes of homelessness in California, focusing on unaffordable housing, poverty, mental illness, substance addiction and legal reform.

There is a lot of discussion about the billions spent on anti-homeless programs in California. But very little independent analysis is done evaluating whether these programs are actually effective. In *No Way Home*, the authors evaluate the different strategies being used at the city, county, and state levels to prevent or reduce homelessness.

The book also examines the state and local policy environment, with the authors exploring whether current programs related to housing, social services, and employment are perpetuating or reducing homelessness in California – or even making the problem worse.

One topic explored is the controversial "Housing First" program, which forbids accountability measures, complicating the effort by non-profit programs such as Saint John's Program in Sacramento to transform people's lives and get them on the path to recovery.

There is also a legal perspective to the book, with a discussion of key legal cases and constraints that are hindering the ability of local governments to address homelessness.

Based on their findings and research, the authors put forward several long-term policy reform ideas that have the greatest potential to reduce homelessness in California.

No Way Home is available for sale at Amazon.com or your favorite online bookseller.

Order a copy of No Way Home at Amazon.com or your favorite online bookseller.

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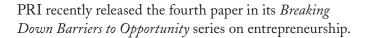
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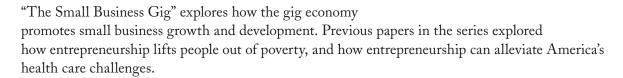
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The Small Business Gig





"Government shouldn't be picking economic winners and losers through new restrictions that limit people's freedom to become entrepreneurs while preserving the old way of doing work," said Dr. Wayne Winegarden, PRI senior fellow in business and economics and the study's author. "Instead, Washington and Sacramento should adopt the right policies so the gig economy continues to drive innovation, economic growth, and higher incomes."

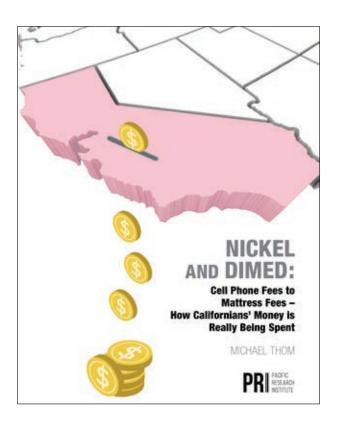
Amid a renewed push in Congress and states to enact new gig economy restrictions following California's controversial AB 5, the study finds that enacting these harmful laws would hinder innovation and restrict people's ability to become entrepreneurs and provide for their families.

Proponents of laws like AB 5 argue that gig economy firms are exploitative. But an ADP Research Institute survey showed that 70 percent of gig workers are independent workers by choice, while research from the Gig Economy Data Hub found that more than two-thirds were satisfied with their current work arrangement.

Instead of enacting misguided laws like AB 5, the study recommends that state and federal leaders embrace gig economy entrepreneurship by enacting market-driven policies to:

- Repeal regulations that have imposed terrible burdens on people's ability to become gig economy entrepreneurs;
- Reform unnecessary regulations that create disadvantages for traditional economy firms, while imposing the smallest necessary regulations on gig economy companies; and
- Modernize health insurance, retirement plans, and other benefits so gig economy workers have access to the same tax-free benefits as workers for more traditional companies.





Government Fees "Nickel and Dime" Californians Out of Hundreds of Dollars Per Year

To download a copy of "Nickel and Dimed," visit www.pacificresearch.org

A new PRI study finds that California "nickel and dimes" consumers with hundreds of dollars in fees annually for under-utilized services. Their repeal, the study finds, would give relief from the high cost-of-living and make fees more efficient and accountable.

In Nickel and Dimed: Cell Phone Fees to Mattress
Fees – How Californians' Money is Really Being Spent,
PRI Adjunct Fellow in Public Finance Michael Thom
reviews three categories of fees paid by Californians –
driving fees, cell phone fees, and environmental fees.

He documents several state and local vehicle registration fees that add hundreds of dollars to the cost of purchasing and operating a car or truck. Yet, consumers have little to show for the high taxes and fees they pay. Thom notes that California has been given below average grades on two recent national report cards for transportation infrastructure, even though the state's drivers pay the nation's highest gas taxes and an annual Transportation Improvement Fee.

He proposes replacing the Transportation Improvement Fee with a broad-based, road user charge, where vehicle owners would pay a fee for each mile they drive. "With a broad-based fee, California consumers will no longer have to cross their fingers and hope that the taxes and fee they ostensibly pay to support infrastructure will trickle back to the roads and bridges they traverse," Thom writes.

On cell phone fees, Thom documented that the various fees add nearly \$9 per month to a \$50 monthly cell phone bill, the equivalent of a 17.9 percent tax on a plan's price. Annually, this would be roughly \$100 per year in fees – enough to pay for two months of service.

"The cost of cellular telephone service is not getting any cheaper. But that's not because monthly plans have grown more expensive; over the past four years alone, the average price per line fell about eleven percent. Instead, the rising cost results from fees and taxes charged by federal, state, and local governments," Thom writes.

Several programs funded by these fees are either obsolete or under-utilized. For example, the Teleconnect Fund that reduces internet costs for schools and libraries and expands broadband service to underserved areas has very low participation rates. He recommends reforming or eliminating these programs to increase program effectiveness and give consumers relief.

PRI's Young Leaders Circle Launches "Speakers Series"

PRI's Young Leaders Circle has launched an online "Speakers Series" to connect with young professionals who worked, studied, or represented the principles of freedom, opportunity, and individual responsibility. The idea behind the "Speakers Series" is simple: interview compelling and interesting young professionals – people roughly 25 to 40-years-old – about their background, career, and education.

Speakers Series

Jordan Dayer, a congressional staffer, was our first "Speakers Series" interview. Dayer works for House Minority Leader Kevin McCarthy (R-CA) and she shared her experience about transitioning from her senior year at California State University, San Luis Obispo to working in Congress. Her interview is the most-viewed video to date with over 4,300 views.

In another video, Marcos Fernandez talked about his experiences as a senior manager at Ripple, a real-time gross settlement system, currency exchange and remittance network based in San Francisco. Fernandez, a previous Young Leaders Circle event panelist, shared insights on the economy, the role of cryptocurrency, and his career journey. His video has been viewed nearly 3,900 times on social media.

One of the more interesting interviews to come out of the "Speakers Series" was with Jorge Galicia, a Venezu-



Evan Harris interviews Jorge Galicia



Evan Harris interviews Marcos Fernandez

elan lawyer and public speaker who sought politico asylum in the United States due to his political activism against the current Venezuelan regime of Nicolas Maduro. Galicia shared his harrowing experiences in Venezuela, where at one point he was hiding out in the homes of friends and families, and his journey to the United States.

The "Speakers Series" also scored two blockbuster interviews from Halie Craig and Anna Miller on trade, data privacy, and education. Halie Craig, an associate fellow with R Street Institute and Facebook employee, talked about her role working on trade as a congressional staffer, the Trump tariffs, and what potential trade policies might be proposed under the Biden administration.

The "Speakers Series" is planning further interviews and videos to share the unique stories of young professionals who share PRI's commitment to free markets, competition, and liberty.

Ninth Annual Baroness Thatcher Gala Dinner

with Wall Street Journal editorial board member Kimberley Strassel and Gov. Pete Wilson (on behalf of Justice Janice Rogers Brown), October 2020



























Sally Pipes Wins SOHO Forum Medicare-for-All Debate



Results			
The Covid-19 pandemic makes it all the more urgent for the U.S. to install a system of Medicare for All.			
	Pre	Post	Change
Yes	20.00%	26.67%	6.67%
No	60.00%	73.33%	13.33%
Undecided	20.00%	0.00%	-20.00%

Sally Pipes debates University of Massachusetts Prof. Gerald Friedman at a Soho Forum virtual debate on whether the government should provide health insurance to all Americans. 73 percent of audience members voted Pipes the winner.

PRI Scholars Take to the Airwaves



Lance Izumi discusses his new charter school brief on "The Why" on cable news channel, Newsy.



Rowena Itchon discusses the debate over gender and racial preferences in higher education on KPIX-TV in San Francisco.

PRI Scholars Promote Free-Market Ideas at California Policy Events



Sally Pipes discusses health care in the 2020 campaign on a "Healthcare in Politics" panel featuring Democratic Rep. Ami Bera hosted by Vator.



PRI's Wayne Winegarden discusses how state energy policies hurt the poor on a panel discussion featuring Democratic Asm. Jim Cooper and Republican Asm. Vince Fong.



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Pacific Research Institute champions freedom, opportunity, and personal responsibility by advancing free-market policy solutions. PRI provides practical solutions for policy issues that impact the daily lives of all Americans, and demonstrates why the free market is more effective than the government at providing the important results we all seek: good schools, quality health care, a clean environment, and a robust economy.

Founded in 1979 and based in San Francisco, PRI is a non-profit, non-partisan organization supported by private contributions. Its activities include publications, public events, videos, media commentary (including op-eds, radio and television interviews), as well as article citations, community leadership, invited legislative testimony, *amicus* briefs, social media campaigns, and academic outreach.

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