

Citizens Jury on the US Economy and Federal Debt

PART 1 INTRODUCTION BY THE EXECUTIVE DIRECTOR

“Educate and inform the whole mass of the people... They are the only sure reliance for the preservation of our liberty”

Thomas Jefferson wrote those words when our Republic was in its infancy. At a time when the masses are disillusioned with our leaders, cynical about the decisions they make, or don't make, and feel helpless in the face of great challenges, those words seem prophetic.

The Founder of the Jefferson Center, Ned Crosby subtitled his book, “Healthy Democracy” with the words, “Empowering a clear and informed voice of the people.” In May of 2012, the Jefferson Center re-embarked on a journey to do just that. In fact, we set a course to reclaim the democracy that Jefferson and the founders dreamed of.

This report captures the essence of that project in May. While a goal was to explore a different use for the Citizens Jury process, much more came out of it. The group of regular citizens came together and demonstrated to all of us that people of different background, perspective, and political persuasion, can learn about complex issues in an open, constructive and engaging way. They were informed by expert witnesses who provided them with background information. They also challenged those witnesses. By the end they were truly empowered not only from the experience of interacting with complete strangers in a constructive and powerful way, but in creating higher expectations for themselves, their neighbors, and leaders making decisions on our behalf.

This report is an attempt to accurately describe the event through *descriptions* of the sequence of events. Those descriptions are corroborated by video and the work of the jurors themselves. We have also attempted to give you a sense of what happened during the event through *observations*. Those observations are taken from notes and comments of the jurors, moderators, Jefferson Center staff and others observing the process. We invite you to visit www.jefferson-center.org and take a look at the actual video and notes from the Citizens Jury.

I trust you will be as moved as I was by the work of the people in the room. In a short period of time they demonstrated that people can come together, not put aside, but understand and embrace different perspectives, tackle complex issues, create higher expectations for each other and policy makers, and leave empowered to not settle for sound bites and anger of the day.

Our ability to demonstrate that this is not a unique instance will help to reclaim our democracy. Our goal is to do as Mr. Jefferson stated:

“I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion.

Sincerely,



Jim Meffert

Executive Director

PART 2

JUROR SELECTION PROCESS

The jury selection process took place throughout April of 2012. A recruitment letter was sent out, via postal service, to a randomly selected sample of 7,500 registered voters in Hennepin County (MN). Individuals who received this mailing were asked to return a questionnaire (either through mail or electronically) to be entered into the pool of potential participants. Questionnaires included several demographic characteristics including gender, level of education, race/ethnicity, age range, partisan affiliation, and place of residence (within Minneapolis or a suburb).

Completed and returned questionnaires were assigned a case number and entered into a database void of any personal or identifying information. From this database, an initial pool of jury participants and jury alternates was selected and contacted to determine availability and confirm attendance. The initial pool was selected through a sorting and matching process where cases were selected to match the demographic characteristics of the district as closely as possible. Demographic statistics were compiled by analyzing the most recent data available from the US Census Bureau, the (such as US Census figures and figures from the American Community Survey), Rasmussen Reports, the Pew Research Organization and Gallup.

In cases where an individual selected for the initial pool was unable to attend, an alternate was selected from the participant pool that matched his or her demographic characteristics as closely as possible. This process was repeated until a group of 24 individuals had confirmed and 5 alternates were confirmed to be present on the first day of the project. Alternates were selected who matched a range of demographic characteristics and were available to take the place of any missing participants on the first day of the project. A single alternate participated in the 2012 Citizens Jury on the US Economy and Federal Debt.

The table included on the following page outlines the demographic targets for Hennepin County and demonstrates the final demographic characteristics of the jurors who participated in the Citizens Jury on the US Economy and Federal Debt.

Demographic Distribution

Demographic	Target Percentage	Target Number of Panelists	Actual Number of Panelists
Gender			
Female	50%	12	12
Male	50%	12	12
Ethnicity			
Caucasian/White	74%	18	18
Black	17%	4	3
Non-Caucasian/White	11%	2	3
Party Affiliation¹			
Democrat	33%	8	9
No Party, Other	31%	7	7
Republican	36%	9	8
Age²			
18-34	35%	8	7
35-64	51%	12	12
65 & over	15%	4	5
Education			
High School-GED	27%	6	7
College	57%	13	12
Graduate	15%	5	5
Residence³			
Minneapolis	35%	8	9
Suburbs/Other	65%	16	15
Total Number of Panelists	100%⁴	24	24

These numbers represent panelists committed to participate. Slight changes could occur if alternates need to be substituted due to cancellations.

¹ US Partisan Affiliation as of March 2012 according to Rasmussen “Partisan Trends” survey - http://www.rasmussenreports.com/public_content/politics/mood_of_america/partisan_trends

² 18-34 (271,754 of total over 18 pop of 898,891 = 30%); 35-64 (459,192 of total over 18 pop of 898,891 = 51%); 65+ (130,814 of total over 18 pop of 898,891 = 15%) – All Statistics taken from US Census Bureau 2010 - Data for Hennepin County, MN; Minneapolis, MN and Surrounding Communities available at: <http://quickfacts.census.gov/qfd/states/27/27053.html>

³ Hennepin County: 1,152,425 (less population under 18 = 898,891); Mpls: 382,578 (less population under 18 = 306,062); Rest of County (769,847 (less population under 18 = 592,829)) – 35% Mpls/65% Suburban - All Statistics taken from US Census Bureau 2010 - Data for Hennepin County, MN; Minneapolis, MN and Surrounding Communities available at: <http://quickfacts.census.gov/qfd/states/27/27053.html>

⁴ Figures may not add up to 100% due to rounding in population estimates

PART 3

JUROR ORIENTATION—DAY 1

- Morning Day 1
 - Jurors introduced themselves to one another and [staff](#) was introduced.
 - Jury was briefed on the [Citizens Jury Process](#), and then conducted a practice activity to apply concepts, i.e., staying in a “learning mode,” actively looking for supporting data, asking substantive questions.

The jurors are paying close attention to the material.



- Afternoon Day 1
 - The jury was then asked to describe how economic troubles in recent years have affected them.
 - For an introduction to the economy and federal debt, the jury used [Concord Coalition](#)'s Federal Budget Simulator.
 - Economics [Professor Louis Johnston](#) provided further background information on basic economic concepts.



Professor Johnston's lectures were rich with information and easy to understand

Staff Observations⁵

- The first day is critical in the Citizen Jury Process. It establishes the foundation for further discussions. Ground rules, like staying in the learning mode, maintaining a positive attitude, listening with care, help acclimate the jury to the respectful deliberative process for which the Jefferson Center strives.
- The Jurors demonstrated their attentiveness by asking clarifying questions during [Professor Johnston's](#) presentation. The presentation itself focused largely on economic terminology, especially defining core concepts like GDP.
- By the end of the first day the jurors demonstrated their capacity to understand complex policy issues. Disproving the cynicism of so many that regular people are no longer interested or capable of participating in our democracy.



*Jurors felt comfortable asking simple clarifying questions.
They wanted a real and deep understanding of the issues*

⁵ In a larger project many of the following evaluations would have been done by an outside evaluator. In a smaller Citizens Jury such as this, staff has included comments about how well the process worked even though these go beyond mere descriptions of the event.

PART 4

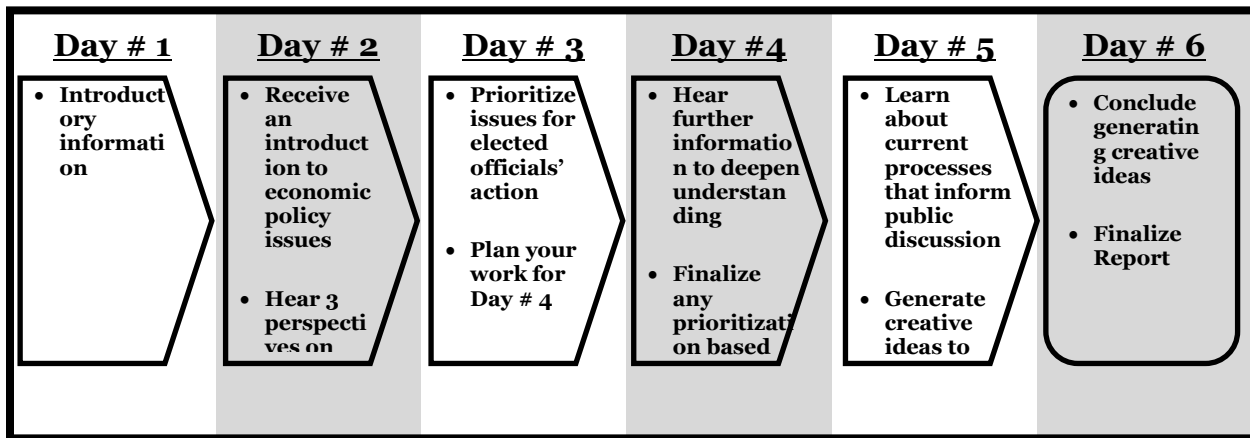
CITIZEN JURY ON ECONOMIC ISSUES

The Jury on Economic issues was charged with the following:

Consider the range of issues that are raised in debate about US Economic Policy. Based on what you learn and experience in these sessions,

- 1) Decide which issues are the most important for the public to understand.
- 2) Decide what you would like to see elected officials address *first* in order to create a healthy American economy.
- 3) Provide your input about some creative ways that the public discussion of economic issues could be improved.

SCHEDULE OVERVIEW



PROCESS DETAILS

DAY 2

- Morning Day 2
 - The Economic Issues Jury heard again from [Professor Louis Johnston](#), who provided historical perspective on economic priorities.
 - Jurors received materials that outlined results of public opinion polls on economic issues
 - The Committee received a broad overview of three general approaches to economic policy.
- Afternoon Day 2
 - The Jury heard from advocates representing three differing views on the economy:
 - *Daniel Hanson* of the [American Enterprise Institute](#) (AEI) emphasized three major factors affecting the U.S. economy: links

to a struggling European and global economy; the continuing effects of the housing bubble; and the growing debt burden.

- *Jason Peuquet* of the [Committing for a Responsible Federal Budget](#) (CRFB) outlined the economic impacts of a rising federal debt and an inefficient tax system. He outlined how the U.S. economy needs critical investments in education, infrastructure, and research and development.
 - *Rich Benjamin* of [Demos](#) stressed how business and government actions have squeezed the middle class. His presentation emphasized reducing unemployment, reducing income inequality and investing in education and infrastructure.
- Through a process of reflections and small group discussion they began to process and prioritize the information they heard from the presentations.



Despite being the kind of people who regularly bicker on TV News, the advocates maintained a high degree of mutual respect. They supported their views—but mostly they informed the group

- Staff Observations
 - The jurors remained attentive through the presentations despite a rapid pace of information presented to them. Subsequently we adjusted the process to provide study time and ensure relevant notes were available as soon as possible.
 - Johnston’s presentation offered common tools for the Jurors to use when analyzing the advocate presentations.
 - The Jury had a definite focus on facts at this point. The jurors wanted to understand “the truth.” As the days went on they grew, to understanding that no individual piece of data would resolve their charge, and instead they would need to weigh these interrelated issues holistically.

- Morning Day 3
 - Through a combination of small group, individual reflection and group exercises the Jurors identified economics themes and topics they believe are important for policymakers to address and for the general public to better understand. The Jury developed and modified a list of issues in order to more accurately reflect the issues they had heard. This is where they used the tools they developed in the Citizens Jury process to analyze the issues presented to them.
 - Their first round of prioritizing yielded housing, regulation, banking/financial markets, and the federal deficit/debt as the issues most important to understanding the economy.
 - Jury selected the topics they most wanted to hear about for Weekend Two.
- Afternoon Day 3
 - The Committee had a brief discussion about their experience with the Citizens Jury as a deliberative method.
- Staff Observations
 - The challenge of Day 3 for the Jurors was to take the information they received on Day 2, organize and prioritize what they learned, and prepare themselves for the recommendations they will make during Weekend Two of the process.
 - The jury stopped being passive observers and became active participants in analysis and discussion of the economy. For example, they weren't willing to accept labels and discussion points given to them by presenters. They started sorting through causes, not symptoms. They were looking for policies that made sense to them, not blindly accepting terms for any advocate. Essentially, they did their own collective reframing.
 - They began to recognize that they have different ideas about what policies might be needed to address these changes. Many Jurors realized that agreeing on questions doesn't necessarily mean they agree on answers. When solving complex issues like the economy often the first challenge is agreeing on what needs to be fixed.
 - The jurors discussed which items they wanted on the ballot before voting on the most important issues. This prompted an incredibly rich discussion that forced the jurors to come to terms with the issues—not just conceptually but also in terms of specific wording. They were cognizant that this process wasn't just for their understanding—it was also for the general public to have a framework for economic policy discussions.

- Morning Day 4
 - The Jurors went in-depth on three topics, based on their priorities from Weekend One (Housing, federal deficit/debt and entitlement programs).
 - [Steve Kelley](#) provided further background information on the Federal Budget.
 - [Dr. Maria Hanratty](#) presented on Social Insurance Programs such as Social Security and Medicare.
 - [Dr. Ryan Allen](#) gave a summary of the housing bubble and its effect in the recent economic turmoil.

The jurors selected which issues they wanted to hear more about.

They indicated that this choice improved the legitimacy and effectiveness of the process.



- Afternoon Day 4
 - The committee spent the afternoon considering which policy areas can make the biggest improvement in the U.S. economy.
 - Jurors then prepared to talk again with representatives of Demos, AEI and CRFB. They individually formulated questions, compared those questions with the group and categorized those questions into which advocate should respond.

- Staff Observations

- After a two-week break, the Economic issues committee dove right back in; The jury members bonded as a group over stories about how they had told friends and family members about how rewarding this process had been. Several jury members expressed excitement to roll up their sleeves and get back to work.
- The jury remained diligent in their attempts to consume and process all the information the speakers had time to share. The one on one conversations with advocates were extremely valuable. The level of depth and quality of information was enhanced by the direct communication between the Jurors and each advocate.

- After hearing from seven different speakers some common themes were beginning to emerge. The jurors were beginning to ask questions that demonstrated a more goal-oriented style of listening. Whereas questioning on the first day produced many interesting questions that seemed somewhat off topic, questions on Day 4 were much more directed toward measuring which issues were the most important.
- The jurors also began some discussion of how these issues are intertwined—e.g., how the housing market effects economic growth. At this point Jurors began to recognize that adjusting a policy in one area has direct effects on the other areas they were discussing. This proves that ordinary citizens are able to understand the complexity and understand the interrelatedness of economic policy. In fact they became frustrated with the sound bites which only presented simplistic solutions to complex problems. On a deeper level, the jury recognized that politics itself gets in way of substantive discussions.

PROCESS DETAILS

DAY 5

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- Morning Day 5
 - The jury was again given the opportunity to ask question of the advocates from [Demos](#), [AEI](#), and [CRFB](#).
 - After working hard to make sense of the multiple and interconnected factors affected our economy, the Economic Issues Committee revised their questions from Day 4. They wanted:
 - 1) clarification of previous statements,
 - 2) additional evidence to defend their statements,
 - 3) information on the impact or the effect of the positions they articulated.



Jurors requested “study hall time” to thoroughly examine the documents and evidence they were presented.

○ Afternoon Day 5

- The Jury spent the afternoon reviewing documents and key points to track their process and understanding.
- The jurors then identified key aspects of the process that elevated the quality of their discussion on economic issues. Each individual was asked to recount moments in the process that were uniquely helpful to improve the process for future events. The jurors constructed a timeline to visually recreate their experiences.



To keep track of and organize the information they were receiving from the various speakers the jurors used a sticky track wall.

This allowed them to move statements visually as they progressed.

- Staff Observations
 - By this point the jury had really moved from a basic questioning to trying to understand and weigh the various issues. There were some definite areas of agreement, such as the need to do something about housing and the need to take steps to prevent future financial industry catastrophes, however there was still no clear consensus in terms of what these ideas meant.
 - The jury repeatedly expressed how rewarding the process has been (see Juror Personal Statements on page 11). Many people indicated that they had learned a great quantity of information and shifted their opinions to reflect a greater awareness of these issues.
 - Jurors also attempted to analyze concepts by fact checking with multiple sources. They would ask one speaker to clarify what the other speaker was saying—or ask multiple speakers similar questions in a clear attempt to see how different experts viewed the issue.

PROCESS DETAILS

DAY 6

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- Morning Day 6
 - The committee reviewed the issues one last time and took a final vote to decide three policy priorities.
 - Jurors then identified creative ideas that could be implemented to improve the public discussion of economic issues. They discussed expanding the citizens jury process, including more citizens, and providing opportunities for participants to talk about their experiences.
 - Afternoon Day 6
 - The Economic Issues committee reconvened with Federal Debt committee to share their findings and compare how the process worked.
 - Staff Observations
 - The jurors were excited and proud—they expressed a desire to keep in touch and were adamant in their belief that their work should be shared with others. They also repeatedly voiced that this process should be replicated.
 - While the debt-committee seemed to be very focused on meeting their charge, the more open ended nature of considering which issues are most important lead to a slightly different attitude within the economic issues group. They emphasized the value of this process as a way of educating other citizens and as a way of showing how regular citizens can understand difficult policy issues.

RECOMMENDATIONS AND RESULTS

The Economic Issues Committee successfully completed each element of the charge as presented to them by The Jefferson Center staff. In so doing, the group demonstrated the collective strength, ingenuity and tenacity of everyday citizens motivated to confront and solve even the most complex challenges. Most importantly, as one juror noted, the Citizens Jury provides the “opportunity to get involved and to discuss issues that affect the economy using a democratic process...” that supports participants’ efforts to “listen, think freely, negotiate and compromise” on some of the most contested issues of our time.

Establishing Priorities

After engaging with economists and policy experts representing a range of perspectives and specific areas of expertise, and deliberating with one another, the Economic Issues Committee developed a list of primary economic action areas that elected officials could address to support a healthy US economy. This list includes the following issue areas:

- The Federal Budget/Debt/Deficits
- Healthcare
- Housing
- Regulation of Financial Institutions
- Tax Reform
- Unemployment/Jobs
- Education
- Lobbying
- Entitlements (Social Security, Medicare, Medicaid)

Through a series of ranked-choice votes, the Economic Issues Committee identified three primary areas of immediate concern that elected officials should address immediately in order to support and maintain a healthy US Economy. The results of the committees’ final vote indicated that the participants view the following economic issues as the three most crucial areas for elected officials to act upon quickly.

The Top Three Issues Elected Officials Should Address First:

- The Federal Budget/Debt/Deficits
- Unemployment
- Healthcare

Committee members also identified a number of issues they determined to be important for the general public to understand better in order to support a healthier economy.

The Most Important Economic Issues for the Public to Understand:

- What is the Middle Class?
- How do changes in policy affect the middle class?
- The impact of rising Federal Debt
- Basic Economics Education
- The Housing and Mortgage Process

- What are the financial consequences of entitlements for the economy?
- The effect of business oriented policy and regulation

This list, participants concluded, stands apart from the issues that “elected officials should address first.” Participants articulated that this difference is due largely to the fact that while it would benefit the economy for individuals and the general public to be better informed about their list of economic issues, the list for elected officials contains a range of issues where *significant policy initiatives* can be implemented that would provide more immediate impact for the US Economy as a whole.

JURORS’ PERSONAL STATEMENTS

Participants were given the opportunity to compose a “Personal Statement” in summary of their experience and those who provided this statement along with a signature are represented below.

Breanna Kautz: This was the most positive experience that I have had with politics. It gave me hope for our nation by showing that we as citizens can work together to agree on difficult decisions and issues.

Rose Nguyen: I am truly honored to have served on this citizen’s jury! Not only have I gained a great deal of insight and knowledge, but can sincerely say I’ve made some friends and mentors. The Jefferson Center has opened me to some experiences that I will cherish forever as well as allowing me to share my own experiences & passion of politics with other likeminded individuals. I know I will be involved and will grow tremendously as a human being and a citizen of the United States.

Brad Francis: This was a very informative process. It is very helpful to learn more about the economy, how the democratic process works for each and every American citizen. Thank you for letting me learn more and for being fair and open minded to all of us involved. I hope you can get more people involved with this.

Patty Leither: I have appreciated the opportunity to participate in this process. I feel it is very important that others across the country have the same opportunity to participate in this exercise. A great learning opportunity for all.

Jack Halloran: The topics considered are germane to the significant issues of the day. The Citizens Jury Process including the existence of high quality lecturers and extremely competent facilitators made possible a statement of citizen concerns.

Barbara Peterson: As we continue into the 21st Century government responsibilities and issues will continue to be in the forefront. The chance to have the opportunity to participate as a randomly selected juror will be one that I will remember fondly. Difficult issues we can’t correct over a 2 weekend time period. However, I can now confidently speak with others about important issues and never stop asking questions. Thank you for the tremendous learning experience you all provided.

Thomas Bratland: Speakers were phenomenal and very credible and well informed. Loved the freedom to choose our speakers. Allowed us to receive the information we wanted to know more about, or didn’t know enough about. Would have liked to have focused just on one issue, learn more about it and propose solutions.

Juan Delgado: More than ever in this country, we have a great responsibility, to use the tools our forefathers labored and died for—a democratic process for the people by the people.

Darryl McKinnon: From my experience with this project, I’ve concluded that the “process” does indeed work the way our forefathers so wisely intended. Happily, the “process” itself is not broken. Instead, it’s being “systematically” rigged and/or manipulated for the “few” at the expense of the “many.” Awareness, unselfishness, and courage to do the moral right and just things will change the “process” in the blink of the eye. Whenever we as one people desire and demand this to happen.

Christine Sawyer: I have been so fortunate to be a part of the Citizens Jury. I am with gratitude for the “eye opener” to our economic issues. This opportunity has provided me self-discovery and knowledge that I will now have the confidence to discuss with my peers. I find myself reading and wanting a better understanding of key issues that effected (*sic*) our economy. Prior so to these sessions I felt differently. I have a voice, which is an instrument that I will use. I have and will make a commitment to and for myself and others to somehow make a difference. Thank you.

EVALUATIONS

Each day, evaluated the Citizens Jury process for staff bias. Those results are below.

“One of our aims is to have the staff and volunteers of the Jefferson Center conduct the project in an unbiased way. How satisfied are you with their performance in this regard?”

Day	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
Day Two	11	1	0	0	0
Day Three	12	0	0	0	0
Day Four	10	2	0	0	0
Day Five	12	0	0	0	0
Day Six	12	0	0	0	0
Total	57	3	0	0	0

At the end of the Citizens Jury, the individuals were asked a similar question regarding staff bias throughout the project as a whole in a Final Evaluation.

“One of our aims is to have The Jefferson Center staff conduct the Citizens Jury in an unbiased way. How satisfied are you in this regard?”

Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
11	1	0	0	0

PART 5 CITIZENS JURY ON THE FEDERAL DEBT

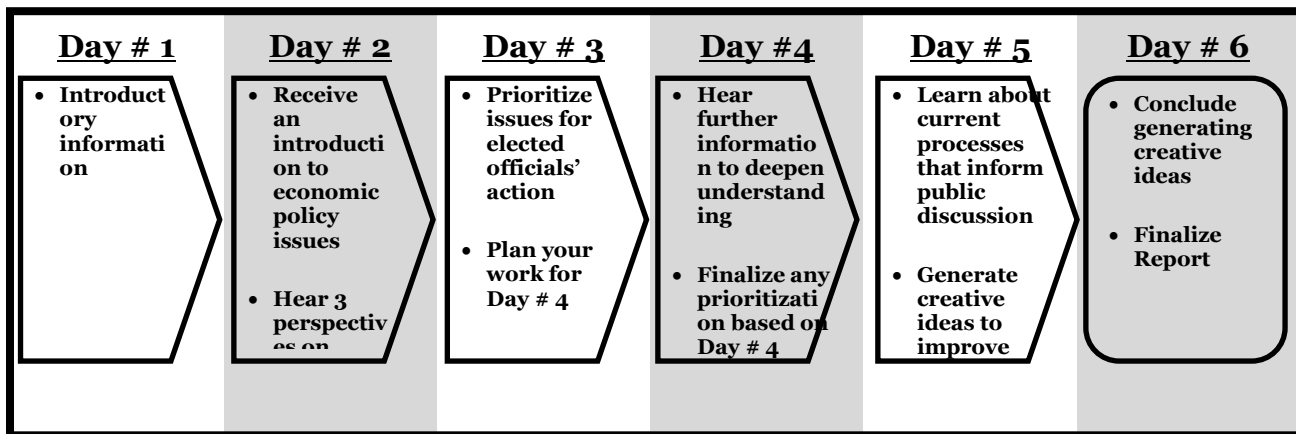
While the Economic Issues Jury was hard at work, the remainder of the jury worked on the federal debt. They were charged with the following:

Examine the issue of the federal debt.

Determine if you can reach a broad agreement (2/3 majority) on this issue. Specifically,

- a) Determine if you can reach a broad agreement (2/3 majority) on one of the 3 main approaches to dealing with the debt.
- b) Determine if you can reach broad agreement on some of the key facts or values that are used to justify the approaches.
- c) Decide if you can reach broad agreement (2/3 majority) on any recommendations to elected officials about how they should go about making sound policy on the federal debt.
- d) Identify any key areas where you believe further discussion is needed.

SCHEDULE OVERVIEW



Process Details

DAY 2

- Morning Day 2
 - [Steve Kelley](#), of the Humphrey School of Public Affairs, gave the jury background and context on the federal debt.
 - Jury read statements from positional advocates who would present to them in the afternoon.
- Afternoon Day 2
 - In the afternoon, the Jurors heard advocacy testimony from think-tanks representing three different views on the economy and the federal debt.

- *Daniel Hanson* of the [American Enterprise Institute](#) argued for economic growth through immediate, across the board cuts to government spending.
 - *Jason Pequet* of the [Committee for a Responsible Federal Budget](#) advocated for gradual cuts to government spending to reduce the federal debt decades from now.
 - *Rich Benjamin* of [Demos](#) supported growing the economy and supporting the middle class. He stated that concerns about the Federal debt were overstated, and that promoting economic growth is more important now.
- Staff Observations
 - The critical step in a Citizens Jury on a complex topic is to make sure all the jurors begin the process with a common framework. Most of the jurors said they had little or no formal training in economics or government finances. The background briefing served to fill that gap before the positional advocates offered their perspectives.
 - The afternoon presentations from advocates from AEI, CRFB and Demos were intended to advocate for particular plans. AEI represented a more conservative approach, cutting the debt now; CRFB represented a moderate approach, slow but consistent debt reduction; Demos represented a more liberal approach, advocating fixing the economy first, worrying about the debt second. The jury was charged with deciding which option was best.
 - In an attempt to give each advocate an equal amount of “air time” strict limits on presentation and question time were observed. The Jury would have liked more flexibility to understand the policies and reasons presented by the advocates.

Process Details

DAY 3

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- Morning Day 3
 - The Debt Committee organized all the information they had learned from Day 2 by breaking down into small groups and recording what they had learned in written statements.
 - They then identified areas of policy they needed to better understand to come up with recommendations on the federal debt. They selected:
 - healthcare,
 - macroeconomic issues,
 - taxes
 - Staff Observations
 - The overall purpose of the first weekend was for the jury to *understand* the arguments and polices—not to make a decision on them. To this end, the

moderators encouraged the jury to restate what they had learned in their own words, saving the deliberation and decisions making until Weekend Two.

- Jurors mostly followed this advice, though they expressed frustration with the amount of information and range concepts they were expected to understand. With reassurance that this would all make sense later in the process, they stuck with the process.

Process Details

DAY 4

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- Morning Day 4
 - As the second weekend started, the Jurors in the Debt Committee fact-checked key statements from the previous weekend.
 - They then reviewed written responses to their questions from Tom Stinson and Mike Ferguson (official state economists for Minnesota and Idaho).
 - The Committee also received in-person briefings, followed by deliberations from:
 - [Dr. Chris Phelan](#), Professor of Economics at the University of Minnesota who provided background information on the Jurors questions from Weekend One.
 - [Dr. Paul Anton](#) founder of Anton Economics, a Minneapolis based consulting firm. He answered what economic studies have said on questions such as: how much would a reduction in tax rates grow the economy? How much revenue would be generated by a “Buffet Rule” for taxes on wealthy individuals?
 - [Daniel McLaughlin](#), Director of the Center for Health and Medical Affairs at the University of St. Thomas. Mr. McLaughlin detailed the ways in which healthcare, specifically Medicare and Medicaid fit into the federal debt puzzle.
 - Afternoon Day 4
 - The Committee members then used this additional information to evaluate and retitle three basic position statements presented by AEI, CRFB and Demos.
 - They amended AEI’s to: Growth through Immediate Debt Reduction
 - CRFB’s title change to: Long Term Approach Through Small Changes (a.k.a. Slow and Steady Wins the Race)
 - Demos was renamed: Invest First, Reduce Debt Later (a.k.a., Invest Now to Grow the Economy).
 - Staff Observations

- The staff presented the jury with tailored background information to their questions from well-respected neutral economists. Several jurors were still confused about definitions of federal debt, and background information was supplied to further clarify juror understanding.
- After the staff received this feedback, we adjusted, giving jurors more time with each positional advocate on the second weekend.
- In Day 4 the jury quickly made it clear that sound bites or slogans were not acceptable data for public policy determinations. They kept demanding empirical data from the witnesses who spoke on macroeconomic policy, the federal budget shortfall, and healthcare.
- Critical to Day 4 was the jury's exercise in renaming the three approaches they were tasked with deciding between. The jury needed a better understanding of the ideological approaches each of the advocates presented.

Process Details

DAY 5

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- Morning Day 5
 - The Jury then had the opportunity to question Daniel Hanson from AEI, Jason Peuquet from CRFB and Rich Benjamin from Demos their positions on the federal debt.
 - After the presentations, the jury continued to refine the specific proposals and justifications behind each approach through a series of small group discussion and then group-wide deliberation.
 - Afternoon Day 5
 - The jury voted on the top four statements justifying each approach.
 - They then spent the remainder of the afternoon in groups turning their rough bullet points into paragraphs that could be used to express each point of view more clearly.
 - Staff Observations
 - Day 5 demonstrated a shift for the jury. With the vote looming the next day, they switched from a desire to understand the policies, to a determination to understand the benefits and drawbacks of each.
 - As the jury heard another round of presentations from AEI, Demos and CRFB it was clear how far they had come in their understanding of the problem. The jury refused to accept estimates on government waste unless it was backed up by a credible source.

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- Morning Day 6
 - As a group, the Jury continued to refine the top four statements they drafted for each of the three main positions on the debt.
 - They then listed the advantages and disadvantages of each of the main positions (see appendix A)
 - Afternoon Day 6
 - This Committee was charged with coming to a 2/3 majority on which perspective was best at dealing with the federal debt (see results).
 - Staff Observations
 - The jury was not limited by their inability to gain consensus (see results on next page). They observed that none of the approaches to dealing with the federal debt was compelling on its own. As a result, they identified the policies and ideas that were common to the three approaches along with the most compelling policy areas for policy makers to begin addressing. Their recommendations reflected a compromise on the different policies they heard from the advocates (AEI, CRFB and Demos) and represented a strong desire by the jury to come to a consensus.
 - By the end of the day staff had caught the excitement of the jurors over all they had learned and accomplished. After all who spends two weekends talking economic policy and feeling very pleased with what they have done? Many of the jurors reported a sense of empowerment—they came into the process feeling unqualified or inadequately studied for making a determination on issues related to the federal debt, but after experiencing the Citizens Jury process, they left feeling that deliberative processes can work.
 - Staff was impressed with how well the jurors worked together, and with the level of understanding of economic policy they demonstrated by the end of the project. For example, when one Juror expressed misgivings with some of the language, the rest did not dismiss his advice and move on. Rather, they worked together to craft language that was acceptable to all. “If only Congress worked this way,” one Juror remarked at the end of the process.

RESULTS⁶

When the Jurors voted on Day 6, none of the three main positions received support from 2/3 of the Jurors. The results were as follows:

⁶ One juror was unable to participate in the voting process due to illness. These recommendations represent 11 of the jurors.

- The Demos position, downplayed debt reduction in favor of stimulus spending, received 5 votes (45%)
- The Committee for the Responsible Federal Budget (CRFB) emphasized long-term reform and debt reduction combined with some short term votes, received 4 votes (36%).
- The American Enterprise Institute stressed immediate debt reduction to spark private economic activity, received 2 votes (18%)

Though the jury did not come to consensus on a broad approach, they did agree with many policies proposed by the advocates. The jurors in the Debt Committee selected four statements from each of the advocates upon which there was broad agreement. Then they reviewed and rewrote the statements in a way that the majority of the Jurors could agree on. All of the following statements were supported by at least eight of the Jurors.

American Enterprise Institute (AEI):

1. The government is estimated to be wasting billions of dollars a year. For example, according to the Government Accountability Office (GAO), \$1.7 billion a year is spent maintaining vacant government buildings and \$146 million⁷ was found to be spent on government employee flight upgrades. (Unanimous)
2. A credible plan to control the growth of the national debt should include small cuts right away, and larger cuts spread out over the next five to ten years. Doing so would help prevent an economic crisis, such as what is happening in Greece.
3. We need to find Medicare/Medicaid solutions to save approximately \$1.4 trillion in total national healthcare expenditures by the year 2020.
4. Policies for Medicare/Medicaid need to be reformed. To do this, we should increase basic premiums for Medicare Part B by 25 percent, which will decrease the federal debt by 40 billion per year.

Center for a Responsible Federal Budget (CRFB)

1. When there is a larger workforce, there is more tax revenue for Social Security, Medicare and Medicaid. This also cuts down on welfare costs to the unemployed and underemployed. A larger workforce means potentially more consumer spending and GDP growth.
2. The best way to fix the debt to GDP ratio is to grow the economy. Studies show that during periods of economic growth the debt to GDP ratio has not grown beyond an acceptable rate.
3. The U.S. spends 10-15% more than other countries on healthcare, nearly 25% of the federal budget. We need to simplify the healthcare system to prevent fraud, overspending, and raise the Medicare eligibility age from 65 to 67 years of age.
4. Lower income tax rates and offset that by eliminating loopholes and deductions. We can offset the lower individual tax rates with the expansion of other types of taxes.

⁷ On this particular statement, the jurors did revise the specific numbers presented by Daniel Hanson. For example, they believed he said that waste on vacant buildings was \$25 billion, but they felt that the estimate from the CBO of \$1.7 billion was more likely to be accurate. They unanimously agreed to take Hanson's numbers out, but it was only by a 6 to 5 vote that they decided to put the CBO's numbers back in.

Demos:

1. Historically when the middle class was strong, and more people were contributing to the economy, debt was lower and the economy was stronger. According to the CBO, the health of the overall economy has been historically related to the national debt. Therefore, it is important to strengthen the economy as a way to reduce the national debt. Currently, there are about 14 million unemployed people, half of whom have not worked for over 6 months. It's imperative to get these people employed so they can contribute to the economy and thus help lower the national debt. With more people working, there will be more consumer demand, which will stimulate the economy. The middle class will be more effective at stimulating the economy than the wealthy because they are a larger percentage of the population.
2. Reduce the role of special interest groups in government spending. Minimizing special interest groups' influence on government spending may reduce or eliminate tax subsidies and incentives for profitable corporations (such as banks, big oil companies, and pharmaceutical companies).
3. According to the CBO, the health of the overall economy has been historically related to the national debt.

JURORS PERSONAL STATEMENTS

Jurors were told if they signed their name to the statement it would be included in the overall report.

Sanaphay Rattanavong: Knowledge is power. Having gone through this process and having learned so much, sometimes having my assumption overturned or my convictions reinforced by data, I feel that ordinary people have more of a role and a voice in fixing the federal debt than we realize. Or at least we should have more of a role and a voice. Also, it makes me think that sometimes those in power don't act knowledgably.

Dan Decker: Members of the jury represent all political and economic biases and yet found large areas of agreement on the debt problem and suggested methods of addressing it. Why can't Congressional committees do the same?

Christopher Cooper: I believe that compassion of others, trust and tolerance is the key to any issue we face as a people.

Amanda Stifter: I feel that it is important to note that solutions to Medicare, Medicaid, and Social Security are items that were discussed in detail with the jury. These items were not included in our top three items, but I believe we spent more on solutions for these than any other item that affects our national debt.

Beverly Voss: This process opens your eyes to others’ opinion you may have disagreed with before.

Caitlin Longley-Keenan: It is my personal view that investing in programs such as education, public jobs, and infrastructure is crucial to our economic recovery. History shows that a strong and educated workforce equals a strong economy.

Robert E. Larson: I would have liked to have more time on the jury. Obviously, the federal debt is a very tough and controversial issue. But, I liked the idea of a group of citizens (who didn’t know each other) from all walks of life, coming together to give their viewpoints to help solve a much needed topic. It really was an honor to be on the jury. “Go U. S. A”

Unsigned⁸: I believe this whole experience was rewarding and beneficial. The wealth of information, though overwhelming at times, proved in the end to be very educational and profitable for use in making future political decisions. What was learned here, I know, will be used as a tool again and again, when deciding what box to check in the ballot box. Thank you!!!

EVALUATIONS

Each day, evaluated the Citizens Jury process for staff bias.

“One of our aims is to have the staff and volunteers of the Jefferson Center conduct the project in an unbiased way. How satisfied are you with their performance in this regard?”

Day	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
Day Two	11	1	0	0	0
Day Three	12	0	0	0	0
Day Four	8	2	1	0	1
Day Five	9	1	0	0	1
Day Six	12	0	0	0	0
Total	52	4	1	0	2

At the end of the Citizens Jury, the individuals were asked a similar question regarding staff bias throughout the project as a whole in a Final Evaluation.

“One of our aims is to have The Jefferson Center staff conduct the Citizens Jury in an unbiased way. How satisfied are you in this regard?”

Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
9	2	1	0	0

⁸ This statement was left unsigned. However the Jefferson Center Staff noticed she was rushed, and felt sure she would have wanted to sign it. This was the only statement left unsigned.

Weekend 1 (May 4-6, 2012)**Louis Johnston – Chair of Economics Department – St. John’s University/St. Ben’s University**

Dr. Johnston specializes in macroeconomics and economic history. Johnston writes a weekly column on economics and the economy for MinnPost.com (www.minnpost.com/macromicrominnesota/) called “Macro, Micro, Minnesota,” and is a regular guest on Minnesota Public Radio’s Midday program. His micro-blog is available at <http://twitter.com/ldjeconomics>.

Steve Kelley – Senior Fellow, Director of Science, Technology and Public Policy – University of Minnesota Humphrey Institute

Steve Kelley served in the Minnesota State Legislative for over a decade (MN State Senate ’97-’06 and MN House of Reps ’93-’96). Mr. Kelley has served on the boards of many other organizations, including the Sojourner Shelter (a secure residence for victims of domestic abuse), Physicians Health Plan, the Citizens League, the Minnesota State Colleges and Universities Foundation, and the Sierra Club North Star Chapter Executive Committee. Aside from his public service, Kelley has been a lawyer practicing commercial litigation at the Minneapolis firm of Mackall, Crouse, and Moore since 1979.

Rich Benjamin, Senior Fellow – Demos

Rich Benjamin is the author of *Searching for Whitopia: An Improbable Journey to the Heart of White America*, winner of a 2009 Editor's Choice Award from Booklist and the American Library Association. Rich's commentary appears regularly in the media, including on NPR, MSNBC, CSPAN, *The New York Times*, and CNN.com. He is a regular analyst for FOX News television shows and serves on the board of contributors at USA Today.

Daniel Hanson, Economic Researcher – American Enterprise Institute

Daniel Hanson is an economics researcher at the American Enterprise Institute (AEI). He focuses on questions related to financial markets and the macro-economy. His research interests include the state of the global trade and monetary systems, the Euro-zone crisis, sovereign wealth management, and fiscal policy. He has also held research appointments at the Brookings Institution, the Carnegie Endowment, the Hoover Institution, and the Center for Strategic and International Studies.

Jason Pequet, Research Director – Committee for a Responsible Federal Budget

As Research Director for the CRFB and the Fiscal Policy Program at the New America Foundation, Jason Peuquet works on a wide array of budgetary issues and conducts research on budget and economic policy. In particular, he has recently worked on examining the economic recovery, defense and non-defense spending, structural health care reforms, as well as the overall federal budget. Mr. Peuquet has also become a contributor to television and radio news programs, in addition to providing budget analysis and information for major media outlets. He attended The George Washington University, where he graduated summa cum laude with a bachelor's degree in economics and international affairs. Before joining CRFB, Mr. Peuquet spent time researching education policy, federal housing policy, and economic policy.

Weekend 2 (May 18-20, 2012)

Tax Policy

Dr. Paul Anton (Anton Economics – Chief Economist)

Paul A. Anton is currently Chief Economist of Anton Economics, a Minneapolis-based consulting firm. He is an economist with over thirty years experience in corporate economic analysis, financial forecasting, industry analysis, economic development issues and government policy advising. He recently spent five years as Chief Economist for Wilder Research, part of a non-profit foundation in St. Paul. Mr. Anton serves on the Council of Economic Advisors for the State of Minnesota and is a member of the Minneapolis Star Tribune's Board of Economists.

Federal Health Programs

Mr. Daniel McLaughlin (University of St. Thomas – Director of the Center for Health and Medical Affairs)

Daniel McLaughlin, M.H.A, is the Director of the Center for Health and Medical Affairs at the University of St. Thomas in Minneapolis Minnesota. He helped establish and direct the National Institute of Health Policy at St. Thomas. He served as chair of the National Association of Public Hospitals and Health Systems and served on President Clinton's Task force on Health Care Reform in 1993. He holds degrees in electrical engineering and health care administration from the University of Minnesota.

General Overview

Dr. Chris Phelan (University of Minnesota – Professor of Economics; Federal Reserve of Minneapolis – Research Advisor and Consultant)

Since 1998, Christopher Phelan has served in various capacities with the Federal Reserve Bank of Minneapolis, where he is currently an advisor to the Research Department. He is a professor of economics at the University of Minnesota and has taught economics at Northwestern University and the University of Wisconsin–Madison. He received A.B. and A.M. degrees in

economics and computer science from Duke University and the University of Chicago. In 1990 he received a Ph.D. in economics from the University of Chicago.

Housing

Dr. Ryan Allen (Assistant Professor; University of Minnesota – Humphrey School of Public Affairs)

Ryan Allen is an assistant professor of community and economic development in the urban and regional planning area. His research focuses on the community and economic development processes of immigrants in the United States. Recently, he has focused on how households have responded to the foreclosure crisis as well as how the foreclosure crisis has affected neighborhood quality in the U.S. His practical research approach to these topics draws upon the strengths of multiple disciplines, including sociology, economics, and political science, and takes advantage of quantitative and qualitative research methods.

Social Insurance Programs

Dr. Maria Hanratty (Associate Professor; University of Minnesota – Humphrey School of Public Affairs)

Maria Hanratty, associate professor, specializes in health economics, the economics of poverty, and comparative social welfare institutions. Before joining the Humphrey School in the fall of 1998, Hanratty was a senior economist with the Council of Economic advisors in Washington, D.C., for one year and an assistant professor at Princeton University. She has taught policy analysis and statistics at Columbia University and American poverty and poverty policy, economics of health care, and economic security at Cornell University's New York State School of Industrial and Labor Relations. From 1984 to 1986 she was a budget analyst with the Massachusetts Department of Public Welfare and also has been an analyst for a division of Abt Associates.

The Federal Budget – Debt and Deficits

Steve Kelley – Senior Fellow, Director of Science, Technology and Public Policy – UMN Humphrey Institute

Steve Kelley served in the Minnesota State legislative for over a decade (MN State Senate '97-'06 and MN House of Reps '93-'96). Mr. Kelley has served on the boards of many other organizations, including the Sojourner Shelter (a secure residence for victims of domestic abuse), Physicians Health Plan, the Citizens League, the Minnesota State Colleges and Universities Foundation, and the Sierra Club North Star Chapter Executive Committee. Aside from his public service, Kelley has been a lawyer practicing commercial litigation at the Minneapolis firm of Mackall, Crouse, and Moore since 1979.

Appendix A

Advantages and Disadvantages for Each Approach to the Federal Debt

AEI (American Enterprise Institute) Disadvantages:

- Of the 3 approaches this plan has the greatest risk of crashing the economy
- Immediate and extensive cuts would be painful to large segments of the population, hurting those who pay more and those who get less
- Privatization of entitlement programs take away the social safety net
- Increase the basic premium for Medicare part B.
- I don't believe we should pay debt at taxpayers expense
- Privatizing U.S. Social Security may not work as well here as in other countries.
- Cutting deficit quickly unpopular with some political groups.
- Using trickledown economics historically does not work.
- CBO shows historical growth in debt
- No money to reinvest to build job base.

AEI Advantages:

- Adds confidence in marketplace that we are addressing our financial problems
- Having a credible plan would reduce uncertainty in the economy, allowing businesses to make long-term-plans as opposed to merely reacting to the current state of the economy.
- This plan directly deals with the debt privatization of entitlement programs and would spur innovation via market competition
- Stop giving subsidies to profitable corporations
- Cut Gov't waste and use money somewhere else.
- By eliminating Social Security earnings limit, but not increasing the benefits cap, can cover 100 % of the Social Security budget shortfall
- Market competition is more efficient than Gov't

CRFB (Center for the Responsible Federal Debt) Disadvantages:

- Taxing bad behavior may affect the middle class
- Slow and gradual reforms may take too long in our weakened economy
- If taxes are raised the middle will spend less because they have less
- With changing administrations, long term plan are less feasible.
- Targeted taxes are offensive to many who don't approve of targets
- Doesn't address areas of needed increased spending (jobs)
- Lowering and broadening taxes

CRFB Advantages:

- Stimulus package with clear path on how to pay for it.
- Gradual approach may be more acceptable to the American public
- Restructure tax code—wipe slate clean and start over
- Making people work longer would help alleviate healthcare and retirement costs.

-Avoid economic crisis, by changing tax code gradually.

This plan has an across-the-board approach and makes gradual changes to avoid hurting the economy. Broad reforms would spread the burden across all forms of government.

-A stronger workforce means stronger economy

-We need to improve individual income and retirement security

Demos Disadvantages:

-What evidence shows that raising taxes will increase growth in the future?

-Historically “trickledown” economics hasn’t worked

-Tax 30 percent on incomes over \$1 million

-This plan leaves no options to reduce the debt now.

-Spending has increased, but wages remain stagnant

-Will put the country into debt

-Targeted spending is offensive to those who don’t approve of targets and it may not be job oriented

-Heavily taxes the rich (\$1,000,000) may be seen as class warfare which would create a counter-productive political environment

-“Everyone’s fair share” is an argumentative term

Demos Advantages:

-Public jobs for economic recovery create immediate jobs for the unemployed.

-Restore middle class by gov’t investments into the economy

-Boosting gov’t spending in jobs is more effective than budget cuts during a recession

-Spending has increased, but wages stay stagnant.

-Avoid fiascos like that of Chase Bank.

-Will stimulate the economy

-Lower and broaden taxes

-Investing in education would help economy

-This plan is more “for the people” and reduces our reliance on larger corporations

-Historically when the middle class was strong the overall economy was stronger.

Appendix B

Participants

JURORS

Federal Debt Committee

Amanda Stifter
Beverly Voss
Caitlin Langley Keenan
Christopher Cooper
Dan Decker
Nancy Isaacson
Richard Berglund
Robert Eugene Larson
Robert Hawkins
Rosa Fernholz
Sanaphay Rattavong
Tina Jones

Economic Issues Committee

Barbara A. Peterson
Brad Francis
Breanna Kautz
Christine R Sawyer
Darryl McKinnon
John Halloran
Juan R. Delgado
Kathleen O'Sullivan
Patty Leither
Raymond W. Kelly
Rose Nguyen
Thomas Bratland

Alternate Jurors

Anneliese Eckhardt
Anthony LaBree
Donovan Brausen
Lamarr Scott

STAFF

Moderators

Katherine Barton
Kim Boyce
Karen DeYoung
Mary Karlsson

Interns

Jake Branchaud-Linsk
Nathanael Smith
Luisa Tejada
Christie Welsh

Program Staff

Kyle Bozentko – Policy Analyst
Ned Crosby – Founder and Agenda Design
Dawn Dettinger – Project Administrator
John Hottinger – Lead Project Consultant
Scott Hvizdos – Director of Communications and Administration
Jim Meffert – Executive Director
Larry Pennings - Project Manager